I then explained the two approaches to such action which American supporters of it are now considering:

1. Governor Rockefeller's proposal that the purpose of the convention be to seek agreement on a solemn declaration that the eventual goal is to turn NATO into a Federal Union, and to fix a tentative timetable for achieving it by stages.

2. The idea of harnessing the present monetary danger to the Atlantic Union cart by calling the convention to "explore the possibility of creating a common Atlantic currency, 'and related matters.'" I stressed the importance of the three words so quoted: They allowed the convention to explore also the political, military, nuclear, and economic matters that are tightly related to the monetary question, and thus tackle the problem as a whole, as did our Convention in 1787.

Monsieur X agreed that the monetary peril was now a much better motive power for Atlantic Union than was the military one. He also agreed that it was essential, however, to assure that the "related matters" were added to it. He saw constructive possibilities, too, in having the convention aimed at agreement on federation as the eventual goal, and on target years for transition to it in the monetary, economic, nuclear, military, and political areas. I got the impression from his attitude toward both approaches that it might be best to combine them.

About an hour later that day I had a talk with my old friend, Monsieur Y, in the key office he occupies. I told him of the answer X had given (in boldface type, page 4) to my question. Y found it very significant.

"The readiness of X to participate in such a Federal Convention means he believes it would have the general's support," Y commented at once. 'His [X] participation would be interpreted by everyone to mean the project had the Gaullist stamp of approval."

This indicated to me that Y considered X very close indeed to President de Gaulle's thinking on this subject.

Before telling of my talk with X, I asked Y the same question that I had asked X. Y thought the European and especially the French reaction to such an offer would depend a good deal on its timing. He explained he meant that action to revise the NATO treaty must start "well before 1969, when any ally can withdraw," and that "between now and 1969 there will come a moment when such an American proposal to federate would go over big." I suggested that this moment might be hastened by the danger of devaluation of the pound bringing the monetary crisis to a head this autumn. He agreed it might well be the precipating factor.

Before coming to Paris I had sent Y the statement which Senator FRANK CARLSON had made May 31, on the occasion of his coming on the Board of the Federal Union association. In it the Senator had urged that "all in NATO cease blaming our towering troubles on this or that ally" and "begin to explore, as our forefathers did, whether the basic fault does not lie in the alliance structure itself."

The statement went on to back Governor Rockefeller's Federal Union proposal. The Senator's concluding paragraphs are given in the box below.

My friend Y told me that on his own initiative he had personally given the full Carlson statement to President de Gaulle, because he found it so important. When he saw the President again a few days later, he continued, the general had told him that he found the statement very interesting, and had added:

"When the time comes for us to get down to fundamentals with our American ally, I shall keep in mind Senator CARLSON'S statement."

I am not sure how to interpret these cryptic words, but was pleased to find that both Y and my friend Z, to whom I repeated them, considered them a favorable reaction. Certainly it would seem a favorable sign that the Senator's strong Federal statement not only was thus read by the general but was not dismissed as out of the question. Nor is this all.

PARIS WHITE HOUSE READS F. & U.

When I happened to ask Y, who gets Freedom & Union regularly by airmail, if he had read a recent article of mine in it, he answered: "I not only read it, but I read everything you write on Atlantic Union. What is more, I keep them all filed over there [pointing to a filing cabinet]. And I can assure you, further, that your magazine is also read and kept on file in the Elysée Palace [the Paris White House]."

How can all this be accounted for by those who accept the view of President de Gaulle held by the State Department and echoed by most of the U.S. press? If his rejection of a sincere U.S. Atlantic Federal offer is so sure that there's no use in even sounding him, why does a Frenchman who knows the general's thinking much better than does Secretary Rusk, venture to give him the Carlson statement?—and get a reaction he deems favorable?

If the general is moved only by delusions of grandeur and nationalistic aims, why should such a magazine as Freedom & Union be read in his establishment—let alone receive apparently more consideration there than in the White House? Is the answer perhaps that the federation we urge gives the best safeguards against any nation dominating Atlantica—and that what the general really seeks to block is not closer union with the United States but any solution of the Atlantic relationship that lets Washington continue to dominate?

After leaving Monsieur Y, I saw that evening my third friend among the dozen "who have De Gaulle's ear"—Monsieur Z. I had seen him a couple of times before since arriving in Paris, and knew that he too believed that the General's door remained open to a genuine offer by Washington to explore Atlantic federation. I told him of my talks with X and Y. (All three have known each other, of course, for many years, but each seemed very interested in what the other two had said to me on our common concern.)

Z shared Y's view of the significance of X's answer to my question and interpreted it in much the same way. He was pleased to learn that Y had handed Senator CARLSON'S plea for federal union to the General and got the reaction he did. Monsieur Z made some concrete suggestions—which I cannot divulge now—on what should be done next to advance our cause in France.

My talks with X and Y clearly encouraged Z in the Atlantic Union views and hopes he had previously expressed to me. They left him sharing the conclusion which I myself drew from my talks with all three De Gaullist friends that day—June 22—and expressed that night in my notebook in these words: "Am confirmed in the thought that if the United States offers Federal Union to France it will have a good reception." They left Z, as they did me, cheered by the most optimistic conclusion I heard that day. It came from Monsieur Y; his parting words when I left his office were these:

"You know, mon cher, I think that one of these days practically everyone is going to wake up and find he was an Atlantic Federalist all along."

—CLARENCE STREIT.

The statement by Senator CARLSON, referred to in Mr. Streit's article, was issued May 31. In it the Kansas Republican and member of the Senate Foreign Relations Committee urged Atlantic Federal Union. Here was his concluding comment:

Obviously the goal of Federal Union involves great difficulties—but I believe they are much less "towering and troubling" than those which President Johnson agrees we face by our present course.

It will take time, of course, to reach this goal—and how much time do we have left? We must speed action—and we shall hasten it greatly merely by joining with our allies in a solemn Declaration that our final objective is an Atlantic Union. When we have reached that agreement, can we not agree on a tentative timetable for reaching the goal?

Once we Americans decided to send men to the Moon, we fixed a time for achieving even that unprecedented goal—and our Atlantic goal is not unprecedented. In our own history we have the best of precedents for Federal Union of the Free. It must encourage us to lead now in this enterprise of bringing more of Heaven down to Earth—a truly "towering" enterprise, but not a troubling one.

SENATE

FRIDAY, SEPTEMBER 10, 1965

(Legislative day of Wednesday, September 8, 1965)

The Senate met at 10 o'clock a.m., on the expiration of the recess, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God of hope, as even through the dust of conflict and through battle flame, youthful warriors from our hearts and homes are contending far away that freedom's glorious light shall not be extinguished, we turn to Thy ever-waiting presence where, beyond these voices of tumult, there is peace. Even as we gaze at the ghastly havoc when man forsakes Thy light of truth, and defies Thy law of love, we thank Thee for a vision of the new earth, the glory of whose coming has been heralded by the prophets of old.

We rejoice in the newborn hopes with which an awakening world is thrilling, and for the rainbows of a fairer earth which are seen by faith through the tears and terrors of today's conflict. Grant that our dear land may play its full part in the fulfillment for all men of the bow of promise now arching the stricken earth, foretelling a social order where each people shall enrich the world with the gifts of its excellence when Thy Kingdom comes.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, September 9, 1965, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed a bill (H.R. 6277) to amend the Foreign Service Act of 1946, as amended, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 468) to recognize the World Law Day, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 6277) to amend the Foreign Services Act of 1946, as amended, and for other purposes, was read twice by its title and referred to the Committee on Foreign Relations.

FOOD AND AGRICULTURE ACT OF 1965

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

The VICE PRESIDENT. Under the unanimous-consent agreement, the amendment of the Senator from Georgia [Mr. TALMADGE] is the pending question.

The time on the amendment is controlled equally by the Senator from Georgia and the Senator from Louisiana [Mr. ELLENDER].

CALL OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, aside from the time allocated, I may call up at this time certain measures on the calendar to which there is no objection, beginning with Calendar No. 674.

The VICE PRESIDENT. Without objection, it is so ordered.

The clerk will state the first bill.

MAJ. ALEXANDER F. BEROL, U.S. ARMY, RETIRED

The bill (H.R. 3684) for the relief of Maj. Alexander F. Berol, U.S. Army, retired, was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 692), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to relieve Maj. Alexander F. Berol, U.S. Army (retired), of Oreland, Pa., of liability to the United States in the amount of $3,161.28, based upon compensation paid him for service rendered the United States while employed as a civilian by the Department of the Navy from January 7 through September 13, 1963, which employment was subsequently ruled to have been in violation of the Dual Office Act.

CLARENCE L. AIU AND OTHERS

The bill (H.R. 8351) for the relief of Clarence L. Aiu and others was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 693), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is to provide reimbursement in the amounts set forth in the bill to 62 employees of the Federal Aviation Agency stationed on Guam for losses of, and damage to, personal property, and in some cases for expenses incident to evacuation, resulting from Typhoon Karen on November 11, 1962.

A. T. LEARY

The bill (H.R. 9854) for the relief of A. T. Leary was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 691), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is to pay to A. T. Leary of Beaufort, N.C., $3,778.02, to reimburse him for amounts paid to the United States as employee and employer taxes under the Railroad Retirement Tax Act, which were not credited to his retirement account, so as to provide the basis for retirement under that act, nor refunded to him. This amount was paid to the Government in connection with services performed by him in connection with the operation of the Beaufort & Morehead Railroad Co.

M. SGT. RICHARD G. SMITH, U.S. AIR FORCE, RETIRED

The bill (H.R. 1892) for the relief of M. Sgt. Richard G. Smith, U.S. Air Force, retired, was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 694), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to relieve M. Sgt. Richard G. Smith, U.S. Air Force (retired), of all liability to repay to the United States the sum of $790.44, representing overpayments made by the Department of the Air Force resulting from an erroneous credit of longevity pay. The payments were for basic pay, accrued leave, and a reenlistment bonus. Payments were made between 1948 and 1963. The legislation furthermore allows for credit in the accounts of any certified or disbursing officer for the amounts involved. Refund is authorized of any amounts repaid by or withheld from the claimant.

WALTER K. WILLIS

The bill (H.R. 8218) for the relief of Walter K. Willis was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 695), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to relieve Mr. Walter K. Willis of all liability to repay $726.73, representing the aggregate amounts received by him from the Department of the Air Force, as a result of administrative error on the part of the Department, for (1) accrued leave at the time of his discharge on January 22, 1962, as an enlisted member of the U.S. Air Force, and (2) pay and allowances for 50 days of leave taken by him, in excess of his entitlement, during the period beginning May 16, 1960, and ending January 12, 1961.

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar.

EXECUTIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate proceed to the consideration of the Executive Calendar to consider nominations for the Department of Justice only.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. If there be no reports of committees, the nominations in the Department of Justice on the Executive Calendar will be stated.

DEPARTMENT OF JUSTICE

The Chief Clerk proceeded to read sundry nominations in the Department of Justice.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified immediately of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Senate resumed the consideration of legislative business.

FOOD AND AGRICULTURE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a quorum call, the time consumed for the call to be equally divided.

The VICE PRESIDENT. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). Without objection, it is so ordered.

Who yields time?

Mr. TALMADGE. Mr. President, I yield 20 minutes to the distinguished junior Senator from South Carolina.

Mr. RUSSELL of South Carolina. Mr. President, at the outset, let me say that I associate myself with the remarks made by my colleagues on the committee by way of tribute to the distinguished and able chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER].

I am the youngest member of that committee. I heard remarks concerning the difficulties encountered in filling the membership of his committee. I am sure the chairman will recall that I am not one of those who were drafted on his committee, but one who enlisted with great enthusiasm and great zeal.

I have felt very much rewarded, especially because of his graciousness, his unflagging courtesy at all times, and his tolerance of the viewpoints of others, but, above all, the encyclopedic knowledge on all agricultural matters of the distinguished chairman.

I have found the chairman to be a wise mentor at all times on the problems of agriculture, except in one field, I regret to say; namely, cotton.

I enjoyed with a great deal of interest the fine comments made by the chairman of the importance of agriculture in the life of this Nation. I share with him the feeling that the strength of this Nation lies as much in its ability to feed and clothe itself as it does in its armor, or even in the wisdom of its leadership.

This Nation is peculiarly fortunate that it can say with pride that it is the best fed and best clothed nation in history. I believe that is a basic element in the strength of America and one of the real reasons why, today, we enjoy world leadership.

To a large extent, this situation is due to the American farmer. He is entitled to consideration for that reason. He has achieved it not by being inefficient in many things, but has proved that he is as efficient as anyone in the economy.

In recent years, the productivity of American farmers has outpaced the productivity of the industrial worker in America. We were very much interested in certain figures presented by a distinguished economist—who comes from my own State of South Carolina—who appeared before the committee and who, by his statistics, established that in the past few years the productivity of the American farmer increased 176 percent, as contrasted with only a 56-percent increase in the productivity of the industrial worker.

In short, the American farmer is increasing his productivity at a rate 2½ times as fast as the industrial worker.

Yet this is, in truth, the tragedy of the American farmer.

Unlike the industrial worker, the American farmer has not been able to translate this increase in productivity into a corresponding increase in income.

As we all know, in the past 2 years the share of the American farmer in the consumer's dollar to buy goods and services has been decreasing.

Certain figures published in an outstanding national magazine a week or so ago indicated that in the past 20 years the share of the American farmer in the consumer's dollar had dropped 15 percent.

Again, I am referring to the statistics presented by the able economist who comes from my own State, which established the fact that since 1954 the income of the farmer was decreasing at the rate of 1.4 percent a year, as contrasted with an increase in income of the wage earner of 3.3 percent during the same period of time.

It is significant that the nonfarm population enjoys an income, according to his statistics, 86 percent greater than the farm family. Today 43 percent of the farm families have an income of $3,000 or less. In short, 43 percent of the population on the farms fall in the poverty group, as contrasted with 14 percent of the nonfarm population.

I believe, therefore, that it is obvious that we must have a farm program. All recognize the reason for this. The farmer does not have the same opportunity that the manufacturer has to regulate and control his production against demand, and thus stabilize prices. For that very reason, there is justification and need for a farm program. I believe that the farmer deserves it. The man who provides America with the strength to be a have nation and not a have-not nation in the way of food and clothing, deserves consideration at the hands of this Government.

We should realize that, if we do not have such a program, the ultimate cost to this Government may be far greater than the cost of any farm program. If we do not have a sound farm program, if we were to destroy American agriculture, thousands of farm families would be forced into the already overcrowded slums of our great cities. They would be added to the already overburdened public assistance rolls. They would demand increased public housing, and they would contribute to an increase in the dangerous social situation in many of our cities.

I believe that the cost of a sound program is far less than what the cost would be if we were to destroy American agriculture, especially when we consider the value of agriculture to the national economy and to the strength of this Nation.

We cannot afford not to have a farm program. It is not a waste of money. It is sound economy. This does not mean, I hasten to add, that we should not have a sensible and reasonable and sound farm program, one that will impose as small a burden as possible on the taxpayers.

A sound farm program must have three basic and fundamental objectives.

First. It must seek to maintain, and insofar as practical, to increase the farmers' income.

Second. It must seek to achieve a better balance between production and consumption, and it must do so by the use of both the tools of curtailing production, and, insofar as possible, increasing the consumption at home and abroad.

Third. It should seek to reduce Government cost.

In 1964, by amendment to the Agricultural Act, we made progress in developing a sound, sensible, and economical farm program. It has been remarkably successful in the field of feed grains and wheat. We have seen the stock of both of those crops decreasing. We have seen the income of the farmers engaged in those fields maintained.

We have achieved real progress in that direction. As this month's issue of Fortune magazine indicates, we are on the road to meeting the problem in those two fields, but we have a problem in the field of cotton, and it is particularly to that field that I wish to address myself.

The act of 1964 established the one-price cotton system for the first time. It has often been criticized. It is said that it has not achieved results, despite the fact that it has been advocated consistently by President Eisenhower, President Kennedy, and President Johnson. I do not subscribe to the idea that the one-price cotton system, established in 1964, was a failure or should be criticized.

It has shown real progress. It has not done all that was expected of it, not all that was anticipated, but it has represented progress.

First of all, it has increased domestic consumption. It may be said that it did not increase domestic consumption as much as its advocates said that it would. However, the significant fact is that it increased domestic consumption more than it had been increased in any year since the two-price system was inaugurated in the cotton industry. I do not believe that we should fault any program that increases the consumption of a product 600,000 bales a year. Moreover, I believe that this is only a beginning, because, as a result of the establishment of the one-price cotton system and the establishment of a fair and just method of marketing cotton to the cotton mills, there has come a new opportunity, a new hope, and a new vitality imparted to the textile industry. New mills are being projected. Employment is being expanded. Wages are being increased.

I read this morning in the Wall Street Journal an article concerning an occurrence in my own State. In a small community in South Carolina a little mill that was decayed, one which people expected to close and throw hundreds of people out of employment, announced yesterday that it was going to spend $2 million to modernize the mill and expand employment. That has occurred because we have a one-price cotton system. The textile industry has confidence in its tomorrow. There will be an increase—an increase in employment, an increase in wages, and an increase in opportunity for the cotton farmer, the cotton worker, and the cotton manufacturer. It may be said that the cotton manufacturer has increased his income. I am happy that he has. If the cotton manufacturer were not making a profit, he would not be expanding, and he would not be maintaining his plants. He would not be providing steady employment. He would not be increasing wages.

I want all those things. I know that we cannot have them unless we have a profitable and not a decaying industry. Furthermore, as a result of the one-price cotton system, we are increasing the wages of the textile workers of this country. In anticipation of the enactment of the one-price cotton system in 1964, there was a 5-percent increase in wages. Since that time there have been two increases, of 5 percent each.

As a result, there has been an increase in the income of workers in States such as my own. There is a great deal of discussion about how much it has been and how much it has amounted to.

I have before me a clipping from a newspaper published in the capital of my own State only a week ago, in which the statement is made as to the increase in the weekly wage of textile workers in South Carolina between July 1964 and July 1965. Weekly wages increased from $73.99 to $83.81, or a little better than a 12-percent increase in a single year.

I also have in my hand the text of an interview with a distinguished representative of the Texile Workers Union of America, a representative of the union in the Rock Hill area of my State.

He said the effect of the one-price cotton in this area was to boost textile payrolls by an estimated $12 million in a period of about 15 months.

Mr. Ray Berthiaume, area representative for the Textile Workers Union in the Rock Hill area, one of the most knowledgeable men in the industry, concludes this interview with the following statement—and this is a representative of the union:

> The entire industry will suffer without the one-price cotton. The mills will go more and more to synthetics and the cotton industry, as we have known it, will go out of existence.

That statement shows exactly how one-price cotton has contributed to the improvement of the income of textile workers of this Nation. It is said that there has been no decrease in prices, and that that was promised if we enacted one-price cotton legislation. It must be considered that for some cloth prices, there have been increases in cost and price in the past year or 15 months, but in the less sophisticated manufacturing areas, where the raw product plays a prominent role, there has been a decrease in the price of cloth. This is shown on page 658, volume 2, of the hearings.

There are listed the prices of unfinished cotton cloth. It will be noticed that where the raw product is not the dominating factor, but where supply and labor enter into the picture, there has been an increase; but if one looks at the areas where raw cotton has a more dominant part in cost, it will be seen that there has been a decrease in price.

If Senators will look at page 1228 of the hearings, at the table dealing with yarn, where the raw cotton cost is the predominant factor, it will be found that the price of yarn decreased in that field after the passage of one-price cotton legislation more than the price of cotton decreased.

So I submit that there has been a reasonable decrease in price—not as much as was anticipated, but certainly a sound adjustment in relation to the one-price cotton system. More than that, it has arrested the shift, the erosion of cotton usage by synthetics.

During the first year of the operation of the one-price system we began to see that the share of synthetics in the market for the first time showed a slight reduction. We are maintaining and bettering the position of cotton.

So I submit that the one-price cotton system has not been a failure. It has achieved real success in certain areas, particularly in the area of increasing domestic consumption. Where the system has failed has been in the fact that there was a drop in exports and an increase in production. Without question, all must agree that stocks of cotton have been increasing at an alarming rate.

We note that by the end of this season we shall probably be reaching close to a 16-million-bale carryover. We must stop that overproduction of cotton. The fundamental question, therefore, in developing a sound cotton program, is not the abandonement of the one-price cotton system, which has aided us so much in increasing domestic consumption; what we must have is a program that will enable us, first, to increase exports; and second, to curtail unnecessary production.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). The Senator's time has expired.

Mr. TALMADGE. How much time does the Senator wish?

Mr. RUSSELL of South Carolina. Ten minutes.

Mr. TALMADGE. I yield 10 minutes to the Senator from South Carolina.

Mr. RUSSELL of South Carolina. We have before us two proposals dealing with this question. One is generally referred to as the Ellender bill, which was approved by the Agriculture Committee by a single vote. The other is what has been appropriately called the Talmadge bill. It was rejected by the same committee by a single vote.

There is a fundamental difference between the two bills. The Ellender bill would abandon one-price cotton. It would disclaim any interest in anybody but the cotton producer. Some of those who advocated it said there should be no concern with anybody except the grower. I do not subscribe to that. If we are to write a sensible bill, it must be one that serves the interests of the cotton producer and the consumer. There is no use trying to grow cotton unless we can develop a market for it.

Therefore, we have an interest and concern and obligation to legislate for the grower, the mill owner, the mill worker, and the taxpayer. That is the only way to legislate—in the public interest.

We are talking about a bill that would result in an increase of cotton by 600 million bales a year. I submit that that would be folly indeed. It is true that under the Ellender bill there is a pawn, a sop, of 3 cents; but basically and essentially we would abandon the one-price system. I submit that it would be folly for us to do so.

There is a second fundamental difference.

Both the Ellender bill and the Talmadge bill recognize and accept the assumption that there must be a curtailment in the production of cotton. Significantly enough, the same figure is used as a goal; namely, 35 percent of the production.

The difference between the two bills is significant. The Ellender bill is a purely voluntary bill. All the curtailment that it would bring about must and will be voluntary. On the contrary, under the Talmadge proposal, there is a 10-percent mandatory reduction and a 25-percent voluntary reduction.

Furthermore, under the two bills the prices are different. Under the Ellender bill, a loan price of 28 cents is to be maintained. A premium of 7 cents would be paid in order to induce the farmer voluntarily to reduce production. If he reduces to 65 percent, he receives 35 cents. If he does not reduce that amount, he receives 28 cents. On the other hand, under the other basis, we are balancing against the world price and against the loan price of 21 cents a pound.

There can be no difference of opinion about which of these plans would bring about a real curtailment in production. The plan that imposes the mandatory 10 percent plus the 25-percent voluntary reduction assures more of a curtailment, more of an approach to the goal of a 35-percent reduction than the plan that is wholly voluntary.

What would happen with no mandatory program? That would mean bidding against 28-cent cotton. The only ones who are likely to come in under the voluntary program are the marginal producers, those with the least productive acres. Those who had highly productive acres would not participate. They would continue to produce the 28-cent-price cotton.

That is the reason why, if we look at the estimates prepared by the Department of Agriculture and submitted to the Congress, it will be seen that under the Ellender bill, it is estimated that

in the first year there would be a reduction of only 100,000 bales in surplus cotton stocks, whereas under the Talmadge bill, there would be approximately a 1-million-bale reduction.

If a major part of the problem is reducing our surplus stocks, and one plan offers only the promise of a 100,000-bale reduction and the other promises a reduction of approximately 1 million bales, how can there be any difference of opinion as to which is the superior plan for the cotton industry, for the Nation, and for the taxpayer? If the goal is to curtail production, there can be only one answer, and that is that the substitute motion offered by the able Senator from Georgia [Mr. TALMADGE] should be adopted.

I point out further that in the first year, the advantages to the cotton farmer under the Talmadge bill are equal to—and in my opinion better than—under the Ellender bill. If one reduced his acreage in production to 65 percent of his domestic allotment, he would receive 35 cents a pound under the Ellender plan. Under the Talmadge bill, the grower would receive 35.65 cents a pound, or a little better than half a cent a pound more.

Under the Ellender plan, he has no option other than to reduce to 65 percent, or come in under the loan program at 28 cents a pound. But under the Talmadge plan, he can go up to 75 percent, curtailing only 25 percent, in which event he will receive about 34 cents for his cotton; or he can curtail only to 90 percent, the mandatory part, and receive between 29 and 30 cents. He has far more options. He would receive a better cash return the first year under the Talmadge plan than under the Ellender bill.

It is said that the Talmadge proposal does not write out specifically what the income of the farmer would be in the years succeeding the last 3 years. But I am persuaded, and I am sure that other Senators will be persuaded, that the Secretary of Agriculture will not permit the level of income of the cotton farmer to drop, and that he will order diversion payments sufficient to enable the cotton farmer to maintain his income.

Moreover, I call particular attention to two other facets of the farm legislation proposed by the Senator from Georgia [Mr. TALMADGE].

Under both the Ellender bill and the Talmadge bill, the small farmer with 10 acres is protected. His entire acreage is treated as domestic allotment. Under neither proposal is he forced to curtail production. Under both, he receives the full amount payable to one fully complying. He would receive, therefore, 35 cents under the Ellender plan, and 35.65 cents under the Talmadge plan.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. RUSSELL of South Carolina. May I have about 2 minutes more?

The PRESIDING OFFICER. Without objection, the Senator is recognized for 2 additional minutes.

Mr. RUSSELL of South Carolina. Therefore, I submit that the cotton producer has at least the same if not slightly improved rights under the Talmadge bill.

Let me mention two other things. Under the treatment of diverted acres provided in the Ellender bill, the farmer can produce anything that is not covered by a commodity program. He can begin producing soybeans.

At the present time soybeans constitute one of the most profitable of crops for our farmers. But if we were to convert all the diverted areas to the production of soybeans, we would create in soybeans exactly the same problem we have today with cotton. In solving one problem, we would have created a new one.

But as Senators will note, under the Talmadge plan, the converted acres can be used only to produce what the Secretary finds will not become a surplus crop. Therefore, there would be no production of soybeans.

A second feature: Under the Talmadge bill, one-half the diversion payment would be made to the farmer as soon as he signed up. He would receive the other 50 percent whenever there was evidence of performance. He would receive his diversion payments before he harvested his crop, at a time when he could use them to pay for his fertilizer and to finance the creation of his crop. That is a consideration of substantial value.

If we look at this bill from the standpoint of the cotton farmer, the cotton manufacturer, the cotton mill worker, and above all the taxpayer, this is a program which the Department estimates will cost three-quarters of a billion dollars less than the Ellender bill over the period of the life of the bill. I submit that however we match them, the Talmadge proposal represents the superior approach to the dilemma of cotton, and I earnestly and sincerely hope the Senate will approve the substitute submitted by the distinguished and able Senator from Georgia, to whom I pay particular tribute. I express gratitude both personally and on behalf of all centers of the textile industry and the cotton industry, for the fine contribution he has made to the solution of the problem that besets the cotton farmer, the cotton manufacturer, and the cotton world.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the distinguished Senator from Missouri [Mr. SYMINGTON].

SENATE COMMITTEE COTTON PROVISIONS CONSTRUCTIVE

Mr. SYMINGTON. Mr. President, the cotton provisions contained in the farm bill reported by the Senate Agriculture Committee are designed primarily to protect the income of cotton producers and to preserve and implement several previous determinations by the Congress that have worked well for both the entire cotton industry and the consuming public.

The bill would preserve the parity concept, which is the only realistic indicator of the relationship between what it costs to produce a crop and what that crop finally brings in the marketplace. The parity concept in a real sense measures the success or failure of farm programs and should be continued without question.

The farmer's right to produce his full allotment without penalty and with full eligibility for price supports would be preserved. This right to produce is basic to the maintenance of cotton farm income and the economies of cotton communities, as well as to the future well-being of the entire cotton industry.

The national minimum acreage allotment of 16 million acres would be preserved. Continuation of the minimum allotment is essential to convince foreign countries that we are not surrendering our production base and that we will insist on our fair share of the world cotton market.

Under the bill, the present surplus would be reduced in an orderly manner. Cotton's role in the defensive strength of the United States and the free world would be maintained and there would be adequate reserves to provide a cushion against an unwarranted increase in consumer prices. The reduction would be accomplished through a voluntary reduction in farm acreage allotments and through increased export sales of our cotton.

Mr. President, as we all know, last year the distinguished Senator from Louisiana [Mr. ELLENDER] opposed, and warned the Senate about, too heavy a subsidy to the textile mills.

Most textile stocks in the past 3 or 4 years have at least doubled in value. I noted in the newspaper this morning that one of the world's greatest textile manufacturers, headed by a good friend, just made more money than it ever made before in its history.

There is a "choice" plan for the cotton producer which would permit him to plan his operations to suit his individual situation. The wide variations in land capability and farming conditions peculiar to the Cotton Belt require a "choice" program to sustain the income of individual producers and to insure fully adequate supplies of cotton at reasonable prices.

The bill would provide a 4-year program under which farmers could make long-range production decisions in the purchase of farm equipment, land formation and other capital investments while considering alternative land uses.

Implementation of section 203 of the Agricultural Act of 1956 would be assured. Our cotton would be made, and kept, competitive in world markets by authorizing and directing the Secretary of Agriculture to accept bids for cotton for export at prices in line with those quoted on the world market.

The principal weakness of the current program, which would be continued by the House-passed bill, is the requirement for a single-price system regardless of freight rate differentials between domestic and foreign points and fluctuating conditions in world markets that are in no way related to normal functions of the domestic market. It is quite clear that domestic and export pricing policies must be separated if we are to reestablish and maintain a workable pricing arrangement in the world market that would hold and increase markets for our cotton and keep costs to the Government within reasonable bounds.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield 5 additional minutes to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, what I say has reference not only to cotton and agriculture. One of the saddest aspects of recent developments—economic, fiscal, and monetary—in the United States is a continuing loss of markets in many fields with respect to foreign trade. Naturally it is closely correlated with our continuing loss, for the past 16 years, of gold bullion, on which the value of our currency is based.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. SYMINGTON. Would the Senator let me finish my statement?

Mr. PASTORE. Will he answer a question on my time?

Mr. SYMINGTON. I shall be glad to do so, if the Senator will permit me to finish my statement.

The cost of the program would be reasonable in view of the importance of our cotton industry and the fact that much of our surplus has been created by not maintaining a "fair share" of the world market for our cotton.

The bill provides a payment in kind to the cotton trade for the benefit of domestic users of cotton which, when considered along with lower price levels to producers of the past 2 years, would keep cotton reasonably competitive with manmade fibers in the domestic market.

In summary, the bill would protect farm income and production levels, hold and expand markets, and protect the interests of the consuming public. Experience the past year shows that the cotton farmer and the taxpayer cannot afford a continuation of the so-called one-price system as provided by the House-passed bill. The American Cotton Producer Associates has prepared an analysis of the results of this system during its first year of operation.

ONE YEAR RESULTS OF ONE-PRICE COTTON PROGRAM

Mr. President, first the analysis points out that cotton's share of the domestic fiber market dropped by more than a full percentage point to a record low of 54.5 percent. Even though domestic consumption of cotton increased by 500,000 bales, manmade fibers' share of the domestic fiber market climbed to a record high of 41 percent.

Second. The 500,000-bale increase in the domestic market cost the farmer $12.50 per bale in price reductions on his total production, and cost the taxpayer an additional $32.50 per bale in textile mill subsidies on every bale that went into domestic consumption. The combined cost to the farmer and to the taxpayer was $45 per bale or a total cost of $409,500,000. The average per-bale cost of the 500,000-bale increase amounted to $819 per bale or about 6½ times the value of the cotton involved.

Third. Cotton farm income dropped from $2,784 million in 1963 to $2,546 million in 1964—a reduction of more than 8 percent even though the 1964 crop was equally as large as the 1963 crop.

Fourth. Textile mill margins increased almost 40 percent. The difference between cloth prices and cotton prices increased from an average of 26.19 cents in April 1964 to 36.49 cents in April 1965.

Fifth. Prices of cotton cloth increased in spite of the $45-per-bale reduction in the price of raw cotton. The value of cloth obtainable from a pound of cotton increased from 61.82 cents in April 1964 to 63.89 cents in April 1965.

Sixth. Cost of the program to the Government increased by the amount of the domestic mill subsidy.

Seventh. Exports of U.S. cotton dropped from 5.6 million bales in the previous year to 4 million bales. This is what I referred to a few moments ago with respect to foreign trade.

Eighth. Imports of cotton textiles into the United States for the first 5 months of 1965 were equivalent to 307,000 bales of cotton, up nearly 20 percent from the same months of the previous year.

Ninth. Considering the increase of 500,000 bales in domestic consumption and the decrease of 1.6 million bales in exports, the total off-take of cotton dropped 1.1 million bales.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield 1 more minute to the Senator from Missouri.

Mr. SYMINGTON. Tenth. The carryover of cotton increased about 2 million bales to the second highest level in history.

It is for these reasons that I intend to vote for the cotton provisions as reported by the Senate Committee on Agriculture and Forestry. I would hope that these provisions will meet with the approval of the Senate and the conference committee.

Now I am glad to yield to my able and respected friend, the Senator from Rhode Island.

Mr. PASTORE. I have always had great admiration for my distinguished friend from Missouri and for his deep sense of good conscience and fairness.

First, as a prelude, none of us wants to do anything that would injure the cotton farmers of America. I would be the last to do so.

Does the Senator consider it to be morally right to sell to a foreign producer who competes in the American market with the domestic consumer? Does he think it morally correct to allow the foreign producer, who competes with the American producer in America, to buy the raw material that goes into that production at a cheaper price than the American farmer has to pay for it? Is it morally right to do so?

Mr. SYMINGTON. There is nobody who respects more the high moral character of the distinguished Senator from Rhode Island than the Senator from Missouri. But I do not believe this a question of morality.

The profits textile manufacturers have been netting have been steadily improving, to the point where they are now at alltime records. Although I cannot answer the question on the basis of morality, I would answer this way:

The income of the cotton farmers of Missouri, based on their acreage, has been driven down steadily for years. At the same time, the profits of textile manufacturers have gone up steadily, during the same years.

With that premise, I would think it is not a question of morality. Rather whether once more, on the floor of the Senate, we are to discriminate against people who live in the rural areas of the United States.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I understand there is a discussion.

Mr. PASTORE. If it is a discussion.

Mr. ELLENDER. The Senator from Rhode Island asked the question.

Mr. PASTORE. I asked the question, but I did not ask for a speech. I did not get the answer yet.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Who yields time?

Mr. ELLENDER. I yield 5 minutes to the distinguished Senator from Mississippi.

Mr. STENNIS. Mr. President, I know that some phases of the Talmadge plan look good on paper, but from the viewpoint of the cotton farmer or cotton producer the trend of the plan is to take the whole program away from the producers and to put the emphasis and benefits in hands of other groups in our economy.

From the outset of the cotton program in the 1930's, the very concept or design of the plan was to protect those farmers who produce the raw material, the raw product, the essential product—cotton. It was on that basis that Congress, many years ago, felt justified in taxing the public, if necessary, to insure a continued flow of the raw product, cotton. The plan has been successful in that respect, and the basic cotton program should be kept on that basis now and hereafter.

However, a major objection to the Talmadge proposal is that it is a further encroachment upon acreage allotments. It will take more acreage away from the man who lives on the land. As I said yesterday, the cotton farmers of my State have already lost more than one-third of the cotton acreage that they had in 1950, just 15 short years ago. The acreage has been reduced one-third under requirements of the law in the last 15 years. That is like closing down one-third of the factories in some industrial area of the country, except that when a factory closes, frequently another one opens later on.

But when cotton acreage is reduced under the price support program, it leaves the farm and the community and never returns; it is gone forever. That has been the history of more than 30 years of this program.

Under the Talmadge amendment, that situation is made more certain because of the loose, open-end feature of the bill. After taking away 10 percent of the meager acreage that a 20-acre farmer may have, in order to qualify under the program, the other section of the proposal opens up unlimited, open-end production for the large producer, enabling him to produce thousands of bales if he so desires, on unlimited acreage. Of course, he will not receive any price support but he can have unlimited production year after year. That is an absolute guarantee that the removal of acreage,

which hurts the little man so much, will never return to him or to the community. These steady acreage reductions are depopulating our communities. Acreage reductions cripple producers and gradually destroy the economy of the area including the great fertilizer dealers, machinery dealers, small merchants at the crossroads, the laborers, and every other business that is connected with the production of cotton.

Now I wish to say a word about the small-farm feature. I have been amazed to listen to the argument about supporting this amendment as it will protect the little farmer. We who have been Members of the Senate for a long time know much of the history of this provision for the little farmer. I recall the time when the small farmer provision was defeated on a yea-and-nay vote by two votes.

The amendment, which I was sponsoring, merely afforded a little protection for the 5-acre farmer. The former Senator from Minnesota, Mr. HUMPHREY, now the Vice President of the United States, and the late former Senator from New York, Mr. Lehman, when they understood more clearly the purpose of my amendment, announced they would change their votes and would vote for a motion to reconsider the vote whereby the amendment was defeated. Thus, the first amendment protecting the acreage of the 5-acre farmer was written into law.

The distinguished Senator from Georgia [Mr. TALMADGE] has done much as a member of the Senate committee in years past to increase the limit to 10 acres, as it is today. I commend him for it. But that is no reason why this present amendment to this bill should be adopted.

I hope that the pending amendment will be rejected and that the provisions of the committee bill will be sustained.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield 5 minutes to me?

Mr. ELLENDER. Mr. President, I yield 5 minutes to the distinguished Senator from Florida.

Mr. HOLLAND. I am not enthusiastic about either the committee bill as it refers to cotton, or the so-called Talmadge amendment. As between the two, I greatly prefer the committee's proposal, and I shall state briefly why I prefer it.

First, if we adopt the basis of production payments or compensatory payments for a large basic commodity like cotton, as proposed by the Talmadge amendment, we might as well forget about basing the whole price-support program on any idea of protecting and continuing private enterprise, or private initiative, because the program would become a dole or welfare program. Soon the whole program for agriculture would be converted to that basis.

The people of my State of Florida, who are most interested in agriculture, almost as one man, are opposed to compensatory payments. They feel that the beginning of such a system with reference to cotton would quickly spread to the other basic commodities and would have a destructive effect on the whole agricultural support program as we have known it.

I invite attention to the fact that this is only a part of the so-called discredited Brannan plan. I also invite attention to the fact that the amendment now at the desk proposed by the distinguished Senator from Maryland [Mr. BREWSTER] makes it clear that we are turning in the direction of the Brannan plan.

Mr. President, I ask unanimous consent that the proposed amendment to section 707 be included in my remarks at this point. This shows that the trend is toward making the cotton program a welfare program rather than one based upon business principles, and I cannot support it for that reason.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the end of the bill add a new section as follows:

"SEC. 707. Notwithstanding any other provision of law, no producer shall be eligible for price-support loans or payments under any program or programs administered by the Department of Agriculture in any amount in excess of $10,000 for any one year. The foregoing dollar limitation shall include the fair dollar value (as determined by the Secretary of Agriculture) of any payment in kind made to a producer."

Mr. HOLLAND. Mr. President, next, I invite attention to something I have not heard mentioned, and that is that the amendment proposed by the able Senator from Georgia and others, called the Talmadge amendment, not only approves, but I believe also encourages, a 50-percent increase in acreage in the most productive areas of cotton in the Nation, and particularly in the irrigated areas of the West, which are in this field of competition largely because Uncle Sam has expended countless millions of dollars to put them in business on an irrigated farm basis.

I believe that the pending amendment, if adopted, would be doing a disservice to the small producers in all of the Southeast and all the producers in the Southeast except in the delta regions—including all those States which have delta areas along the Mississippi River. I can see clearly that the amendment, if adopted, will surely increase greatly the irrigated acreage in the Far West, which produces from 3 bales per acre up, in many instances, of cotton, as against one bale or less than one bale in the hill areas of the South.

For that added reason, I oppose the pending amendment.

Next, I oppose the amendment for the reason mentioned by the distinguished Senator from Mississippi [Mr. STENNIS] a few moments ago. The committee bill includes arrangements to take care of the small farmer wherever he may be, in the East, West, far West, by providing that up to 10 acres of the production of any farmer who has an acreage of 10 acres or less shall be considered as exclusively devoted to the domestic field and is, therefore, entitled to the highest measure of price support.

I believe that is a much needed provision which is absent from the pending amendment, and I believe that the Senator from Mississippi [Mr. STENNIS] is eminently correct in pointing to that as one of the major reasons.

Mr. TALMADGE. Mr. President, will the Senator from Florida yield to me, on my own time?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Florida yield to the Senator from Georgia?

Mr. HOLLAND. I do not have charge of the time——

Mr. TALMADGE. I should like the Senator from Florida to know that the 10-acre amendment is in my bill.

Mr. HOLLAND. I shall be glad to yield to the Senator from Georgia when I am through. The method followed by the distinguished Senator in his amendment takes care of small farmers only through compensatory payments, to which I strongly object.

What I am saying now is that the Senator from Mississippi is eminently correct in his statement that the 10-acre devotion to support for the domestic allotment field is clearly stated in the committee bill, and I believe that it is a desirable feature.

I say also—and I do not believe my distinguished friend the Senator from Georgia will deny it—that his amendment would permit a 50-percent increase in acreage in the highly productive areas of the West, and I am against this amendment for that reason also.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. ELLENDER. Mr. President, I yield 2 additional minutes to the Senator from Florida.

The PRESIDING OFFICER. Without objection, the Senator from Florida is recognized for 2 minutes.

Mr. HOLLAND. The last reason why I oppose the pending amendment is that although I supported the measure which was adopted to come to the aid of the textile industry last year, I am completely disappointed in the results, because I have not seen any showing of gratitude on the part of the textile industry which was promised at that time, and which we fully expected.

To the contrary, that showing of gratitude has been wholly lacking, as so clearly shown by the senior Senator from Louisiana.

Now the textile industry says, "We demand the right to have the same price as the foreign processors," when the fact is that it is asking for a price approximately 3 cents per pound less than foreign producers, because it would get the cotton without the cost of transportation to foreign shores.

I am not too greatly impressed by the pleas of the fervent cotton planters from Maine, New Hampshire, Massachusetts, Rhode Island, and Connecticut who, of course, are pleading only the case of the textile manufacturers.

Mr. President, I believe that the committee provision is vastly to be preferred to the pending amendment, and for that reason I shall vote for it and against the pending amendment.

Mr. TOWER. Mr. President, will the Senator from Georgia yield?

Mr. TALMADGE. I yield 1 minute to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 5 minutes.

Mr. TOWER. Mr. President, if the committee version of the cotton section of this bill prevails, it is my opinion that the cotton industry as a whole will plunge speedily toward financial disaster—a disaster so severe that the industry may never recover.

Cotton problems are, of course, not partisan in nature. We have given consideration, time and again, to these problems, but the problems have not been solved.

Production costs are too high; research is too limited; marketing methods are too complex; Federal Government involvement is too great and too confusing. Our exports are down, and our surpluses continue to increase.

Mr. President, it is my opinion that it is essential any cotton legislation restore a market price system for cotton. We have here the opportunity to do just this.

Many millions of dollars in administrative expenses, storage costs and interest charges will be saved under the alternative proposal.

I wish to emphasize that I am confident the only way cotton can survive as a major industry in the face of foreign competition and of substitute fibers is to sell competitively. The American taxpayer cannot be expected to continue indefinitely to vote payments for ever-increasing stored surpluses.

After more than a century of growing cotton in this country, the industry is on the verge of being liquidated. It is a senseless loss and one the Nation can hardly afford. We have taught the world how to grow cotton, and they have taken over 70 percent of the business. We have forfeited completely our share in the growth of the world market to others while we stagnated. While everyone else increased production to meet demand, we reduced acreage as yields improved through the development of new farming techniques. When there was a world shortage in 1950, we let all the farmers benefit from the price increase except ours, on whom we imposed price ceilings. We must be the most experienced people on earth in building up Government surpluses and then finding cumbersome ways to dispose of them. All it takes is money. The first 10 postwar years were profitable for cotton, even for the taxpayer. But beginning with fiscal year 1956 through July 1964, the U.S. Department of Agriculture admits the cost of its cotton programs has been in excess of $4.14 billion—and that is exclusive of interest, administrative costs and the cost of all the hearings, investigations, and other Government activity occasioned by its cotton programs. During that time, CCC had to take over unredeemed loans on over 32 million bales, and these represented 26 percent of our total cotton production. This year the trend is the same.

I think we well might note that in 1958 Congress passed adequate cotton legislation and that during the time when the congressional intent on its administration was followed, it worked satisfactorily. However, in early 1961, the Secretary of Agriculture increased the support price, thus increasing the export subsidy. Exports fell from an average of 6.9 million bales yearly to 4.1 million. The carryover rose from 7.1 million bales to 11 million bales and is still rising. We lost our competitive position in the world market.

The current cotton mess resulted because the Secretary of Agriculture unwisely exercised his discretionary power to set price supports at a higher percentage of parity.

Past decisions and actions, which now seem impossibly unwise, have brought the cotton industry in this country far beyond the point where it can be saved by anything less than an immediate reduction to the competitive world price, under a program that is convincingly permanent.

What is needed is a loan at the world-price level. Such a loan would permit our export business to resume its past high levels. Such a loan would enable U.S. mills to obtain cotton at the same price foreign mills do.

To bridge the gap between the world level and the price necessary to preserve a solvent producer, the equalization payment must be made for several years to the producer, as cotton gradually reenters normal channels of trade and progressively retains its competitive status in the world. No arbitrary ceiling or limits could be placed on the amount of equalization payment.

If the loan is placed at or near the world market price, the cotton trade and the consumer can stock cotton. Furthermore, instead of being bought on a hand-to-mouth basis, as has been the practice in recent years, the cotton will move into market consumption.

Many millions of dollars in Government administrative expenses, storage costs and interest charges will be saved. The farmer will benefit from income protection while he is assisted by additional research projects to become competitive.

I think it is obvious that the Government loan was not intended to be a market for cotton, but only a marketing device. So long as the loan remains above the market price, it will attract into storage cotton that should be going into consumption.

So long as the export subsidy is maintained, some other subsidy will be necessary to achieve a one-price system at the mills.

In brief, Mr. President, cotton must be made permanently competitive by implementation of a convincing U.S. program aimed at restoring confidence of both domestic and foreign purchases of our cotton. Farmers' income must be protected, but by a single payment, not by a five-sided monster. Congress must move cotton toward lesser Federal regulation, a goal that cannot be achieved by adding more subsidies and more acreage allotments.

If this committee bill goes through, it means simply that the support price next year will be 1 cent cheaper than now; and there will be a 3-cent domestic subsidy instead of the present subsidy.

The farmer will receive less for his cotton, and the mill will pay more. The Government will pay less subsidy but will have to pay more for the lands that are idled and for the cotton that is not grown.

Caught in the middle will be the ginners without cotton to gin, the banks without cotton to finance, the merchants without cotton to buy and sell, in the areas where cotton is dropped and where all the diverse business interests will suffer.

It would end the one-price system for cotton that is presently employed and return to the program of 2 years ago with just new frills added. It appears that it would consequently and necessarily mean another trend toward use of less cotton by domestic mills.

Last year Congress took a short step toward a new day for cotton by acting to restore a one-price system. Last year's plan could have operated to move cotton into markets rather than into surplus storage; it could have allowed the private enterprise marketplace to operate with renewed vigor.

But bypassing the intent of Congress, the Secretary of Agriculture made a basic mistake. He chose not to administer the 1964 Cotton Act so as to reduce surpluses and to encourage free enterprise. Instead he administered it in a way which increased Government interference and increased taxpayer costs.

This year, the Secretary's mistake became abundantly clear. Cotton's problems are worse, not better. So this year the administration joined in a serious attempt to establish and preserve a one-price plan for cotton. The House of Representatives approved that plan in its farm bill.

Unfortunately, the Senate Agriculture Committee threw out the wisdom of the House and ignored the lessons of the past. The committee reported to the Senate a two-price proposal which would give the farmer less for his cotton, make the mills pay more for it, and increase cotton costs so that competition in the marketplace would be virtually impossible.

For that powerful reason, I support the Talmadge amendment and urge its adoption. I do not expect this year's cotton regulations to be a final answer.

But, I do know we must get the cotton industry moving on the right track, not into Government storage, to stand and often rot, but moving into the market at competitive prices.

The hour is late for cotton. Long years of governmental mistakes have taken their toll. I hope we can find our way this year onto the right track, because if we stay on the old track—cotton is doomed.

The cotton industry is at the crossroads. The issue is a simple one. It boils down to one question. Do we return to the two-price system under which the American cotton industry suffered tremendous market losses, or do we continue one-price cotton which has breathed new life into our domestic market.

The basic purpose of a competitive one-price system for cotton was to check cotton's losses to other fibers in the domestic manufacturing of textiles and

to permit American mills to compete with foreign mills on equal footing, insofar as raw cotton costs are concerned. The effect of a two-price system on cotton's competition with rayon and noncellulosic fibers is clearly shown by the fact that cotton's share of the market dropped almost 10 percent from the first quarter of 1961 to the first quarter of 1964. This was just prior to the enactment of the one-price cotton legislation. Rayon and noncellulosic fibers gained by this much at the expense of cotton. One-price cotton was made effective with the Agriculture Act of 1964 on April 11, 1964. From the first quarter of 1964 to the first quarter of 1965, which represents the first year under a one-price system, cotton's share of the market dropped by only four one-hundreds of 1 percent. Stated another way, the terrific inroads which synthetics were making on cotton's market were brought to an abrupt halt with the institution of one-price cotton.

What is the significance of this record of fiber consumption? During the whole period from 1961 to the present, the total consumption of cotton and synthetic fibers was rising. Thus, the textile industry was experiencing a period of growth. The big question is which fibers shared the most in this growth. The answer is clearly synthetic fibers. Cotton actually suffered a heavy loss relative to synthetic fibers. Thus, it is the raw cotton industry which has the greatest stake in seeing that one-price cotton is continued. This means cotton farmers, cotton ginners, and others engaged in the business of handling and marketing raw cotton. These are the people whose incomes are almost solely dependent on a healthy cotton economy. It is clear that the textile industry is not dependent solely on cotton. This has been demonstrated by the substantial shift away from cotton to synthetics during the last 3 years of the two-price system. As one who represents cotton farmers, cotton ginners, and others engaged in handling and marketing raw cotton, I want to see one-price cotton continue. I am unalterably opposed to a return to a two-price system.

Mr. President, let me add further that I believe the basic issue is the viability of cotton as a competitive, high demand fiber. I believe that the issue is the viability of the cotton industry in the United States. I am convinced that the only way we can keep the cotton industry alive is to move cotton into free market at competitive prices.

The one-price cotton system is designed to do this.

I am a supporter of the views of the Senator from Georgia [Mr. TALMADGE]. I intend to vote for his amendment, and I hope that it will be adopted.

Mr. President, I do not believe that the Talmadge amendment is a panacea. I do not believe that it is the best program in the world. I know that the sponsor himself feels that perhaps there are some things in it which could be improved upon.

We all recognize that legislation is, after all, the art of the possible. We feel that this is the best possible provision we can get through Congress at this time.

Therefore, for the sake of the life of the cotton industry, and for the sake of not diminishing but improving the position of cotton as a competitive fiber as one of the great crops produced in this country, I believe that we should support the Talmadge amendment. I fervently hope that it will be adopted.

The PRESIDING OFFICER. Time still remains equally divided on both sides between the Senator from Georgia [Mr. TALMADGE] and the Senator from Louisiana [Mr. ELLENDER]. Who yields time?

Mr. TALMADGE. Mr. President, is the Senator from Louisiana prepared to yield back the remainder of his time?

Mr. ELLENDER. No; I am not ready yet. I have yielded time to many Senators, and others will follow.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

Mr. ERVIN. Mr. President, will the Senator from Georgia yield?

Mr. TALMADGE. Mr. President, I yield 2 minutes to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 2 minutes.

Mr. ERVIN. Mr. President, I am convinced that the only way to help the American cotton grower is by a bill which establishes a one-price cotton market and which does economic justice to the American textile manufacturer, regardless of whether that manufacturer is in Maine, Rhode Island, Massachusetts, Connecticut, North Carolina, South Carolina, Georgia, or elsewhere.

I say this because the American textile industry is the biggest customer the American cotton grower has. If the American cotton grower is to have the benefit of a market on which he can sell his products most easily, it is essential that Congress render economic justice to the textile manufacturer.

Mr. President, that is the purpose of the Talmadge amendment. For that reason, and because it would undertake to establish free trade, both domestic and foreign, I shall support his amendment.

Mr. PASTORE. Mr. President, will the Senator from North Carolina yield at that point?

Mr. ERVIN. I am glad to yield.

Mr. PASTORE. I should like to read into the RECORD a statement made by the National Cotton Council on the very point which is being developed by my good friend, the Senator from North Carolina.

It reads as follows:

The committee bill—

Referring to the bill as reported—

would turn back the clock to a system which has failed and which would destroy the American raw cotton industry.

That is from the National Cotton Council.

Mr. ERVIN. I thank the Senator from Rhode Island for his contribution, and also the Senator from Georgia for yielding to me at this time.

The PRESIDING OFFICER. Who yields time?

Mr. ELLENDER. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 10 minutes.

Mr. ELLENDER. Mr. President, I covered the cotton proposal at length yesterday. It is my contention that this bill should be a producer's bill and not a textile mill bill. If the textile mills desire protection, they should go to the proper committees of the Senate and the House.

Mr. President, an article entitled, "J. P. Stevens Sets Earnings Record" appears in the New York Times of today. This earnings record was made possible by the so-called one-price system.

I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

J. P. STEVENS SETS EARNINGS RECORD—TEXTILE PRODUCER REPORTS HIGHEST SALES AND PROFIT IN ITS 151-YEAR HISTORY

J. P. Stevens & Co., Inc., the Nation's second largest publicly owned textile producer, achieved the highest sales and earnings in its 151-year history in the 3 and 9 months ended July 31, according to a report issued yesterday by the company.

Its consolidated net earnings for the third fiscal quarter ended with July rose to $6,460,502 from $4,355,861 in the corresponding 3 months last year. The earnings were equal to $1.24 a share, compared with 83 cents a share a year earlier, adjusted for a 10-percent stock dividend declared last October.

J. P. Stevens, which ranks behind Burlington Industries as a textile producer, reported consolidated net sales of $185,236,075, compared with $171,121,008 for the third fiscal quarter last year. This brought to $538,674,403 its volume for the 9 months ended July 31, compared with sales of $479,882,902 in the corresponding three-quarter period a year earlier.

The company's net income for the 9 months climbed to $18,394,486, or $3.52 a share, from $10,631,257, or $2.04 a share, on the adjusted basis for the 9 months ended August 1, 1964. Federal and State income taxes totaled $17,377,000, while a year earlier the tax bill was $9,369,000.

Mr. ELLENDER. Mr. President, another article appeared in the Wall Street Journal on February 10, 1965, headlining that domestic mills in 1964 had one of the best years since the early 1950's with the help of the cotton bill enacted in 1964. I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection the article was ordered to be printed in the RECORD, as follows:

TEXTILES GET BRIGHTER—MILLS IN 1964 HAD ONE OF BEST YEARS SINCE EARLY FIFTIES, WITH HELP OF COTTON BILL; PROFIT GAINS SPUR STOCKS

(By Ted Stanton)

Textile mills in 1964 had one of their best years since the early 1950's, helped considerably by the cotton program that President Johnson in his farm message said should be extended and improved.

Expansion, diversification, and modernization, all fueled by soaring earnings, are bringing a luster to textile company stocks that reflects the industry's brighter image.

The provision of the law that has been a major factor in the textile mills' gain permits

them, in effect, to buy U.S. cotton at the same price foreign mills pay. It has provided for payment of 6½ cents for each pound of cotton domestic textile firms use. That's roughly the difference between the world price of about 23½ cents a pound and the higher domestic support price for last year's crop. Mills formerly had to pay the higher price.

Mill executives are generally optimistic about this year's operations, too. Their confidence stems from the industry's overall firmness, and also from widespread expectations that Congress will vote to extend the one-price program, with, at most, minor revisions. The present law expired in mid-1966.

The table below marks the rise of some leading mills' stocks from the bottom of the market slump in 1962 to yesterday's closing price. Many have outpaced the broad market advance; some have almost doubled, and shares of Burlington Industries, Inc., biggest concern in the industry, are up even more. Prices are New York Stock Exchange closing quotations, with those of J. P. Stevens & Co. adjusted for two 10-percent stock dividends.

June 26

	1962	Now	Gain (percent)
Burlington Industries	18⅞	66¼	250
J. P. Stevens	24	47⅝	98
United Merchants-Manufacturers	18¼	27⅜	50
M. Lowenstein & Sons	8¾	17	94
Cone Mills	12½	24⅝	103
Dan River Mills	12¾	24¼	90
Dow-Jones industrials	535.76	901.24	68

The substantial earnings gains that are a prime force in these rises seem likely to continue into the summer at least. Industry profits in the first 9 months last year rose 38 percent from those of a year earlier, the Securities and Exchange Commission said. Third quarter profits were up 60 percent three times the 18-percent gain reported for all manufactuers. An analyst close to the industry calls the outlook better than in Lord knows how long.

The Nation's economic boom has carried the textile firms with it. "Tastes," says one executive, "have been upgraded. Now the consumer wants nicer clothing, better furnishings. The worker has swapped his blue collar for 10 different sports shirts. And we make more money on the better quality goods."

Because of changes in the industry in the past few years, the companies have been in a relatively good position to make the most of their opportunities. Some key factors, by industry consensus, are rising spending for new plants and equipment, increasingly skillful management, and the big push from the cotton legislation.

Besides lowering the price mills pay for cotton, the bill also dispelled the uncertainties that had been adversely affecting our market in 1963 and earlier, according to Ceasar Cone, president of Cone Mills Corp.

EARNINGS, SALES SPURTS

Company earnings and sales graphically demonstrate the strength of the industry. Burlington's profit in its 53-week fiscal year ended October 3, jumped 25 percent to $50,800,000, or $4.15 a share, from the 52-week fiscal 1963. Sales climbed 11 percent to $1,206,393,765. In the current year's first quarter, Burlington's net soared 47.4 percent above the year earlier pace and sales were up 13.2 percent. J. P. Stevens' profit in the year to October 31 climbed 27.3 percent from fiscal 1963 to $17,685,000, or $3.73 a share, and sales were up 12.3 percent to $684,860,013.

United Merchants & Manufacturers, whose diversified operations include the Robert Hall clothing store chain, earned $14,119,000, or $2.35 a share, in the year ended June 30, up 30.6 percent from fiscal 1963. Its profit in the first half of this fiscal year jumped 40 percent from the fiscal 1964 level to $9,415,000, or $1.57 a share. In all fiscal 1963 the company's earnings had declined 3 percent to $10,810,000, or $1.80 a share.

Kendall Co. recently said 1964 earnings jumped 23.5 percent from 1963 to $7,196,000, or $3.42 a share, while sales were up 7.1 percent to $149,405,000. It ascribed the gain in part to lower raw material costs and lower income taxes. The company also proposed a 3-for-2 stock split and said it planned to boost the quarterly dividend to the equivalent of 37½ cents on present shares from the current 34-cent rate.

Cone Mills 9-month profit in 1964 more than doubled and net of Dan River Mills, Inc., rose 27 percent in the period. And both companies in recent months have lifted their quarterly dividend to 25 cents from 20 cents.

Industry earnings have shown strong trends before, of course. The following figures illustrate the severe fluctuations textile producers have experienced. These industry profit totals, in millions, were calculated by the SEC:

1958	$218
1959	416
1960	329
1961	280
1962	354
1963	354

Many close to the textile situation, however, contend progress has been made toward curbing such gyrations. They note the streamlining of management and equipment plus better inventory control, and cite growing use of man-made fibers as another stabilizing influence. Total fiber use in the 5 years through 1960 averaged 6.4 billion pounds annually, of which 27 percent was in man-made fibers. Last year synthetics accounted for a third of the total.

Observes Edward Goldberger, secretary-treasurer of M. Lowenstein & Sons, Inc.: "Up until a few years ago, the industry would expand and produce like the devil in good times, until it was suddenly ahead of demand. Then it would let things taper off. The results were sharp swings in earnings. I think there's been some leveling of this in the past few years and more is probable."

BIGGER AND BROADER

The continuing move toward larger, broader companies that began after World War II has helped bolster the industry's corporate structure, some textile people say. A congressional panel noted that 838 textile firms closed between 1947 and 1950; 110 others were acquired from 1958 through 1961.

Many family-owned, smaller firms have either disappeared or been swallowed by larger ones. A sign of the change: The 10 largest companies in the field had about 13 percent of total sales in 1950. In 1964 they had close to 25 percent. Sales of such giants as Burlington and Stevens are continuing to climb.

Capital spending programs, bringing more automation and hefty operating efficiencies, have soared in the past 4 years. Total mill outlays last year are estimated at almost $750 million, 50 percent above the $500 million of 1961. Outlays by all manufacturing firms in the same period are up only about a third. And preliminary estimates for textile spending this year call for another increase. Burlington, for example, expects its spending this year to rise to $80 million from $66 million last year.

A Government study describes some results: "Broad-scale introduction of textile machinery that operates at higher speeds, requires less maintenance and has devices such as electronic stop motion units that increase total efficiency and maintain quality."

Charles F. Myers, Jr., Burlington president, ascribes part of the spending boost to the emergence of larger, stronger companies in the industry. "These firms are better able to finance investment required for expansion and new technology. They can put capital equipment into plants that couldn't afford it themselves," he says.

The spending torrent has helped lift productivity while allowing mills to hold down employment. Federal figures show industry employment fell an average 1.7 percent in the 5 years through 1962 while output rose an average 3.6 percent yearly. Job rolls now are a slim 0.5 percent above 1962's, while the production index is up 12 percent more.

The one-price bill has spurred the heavy capital outlays, and enhanced the industry's general health. Industry and Government officials had contended, in advocating it, that the bill would enable domestic mills to compete more equitably with foreign firms, while increasing U.S. cotton consumption. In general, these proponents now say, it has worked well.

Cotton usage jumped sharply last year, to 9.6 billion bales from 8.5 billion in 1963, and mill profits spurted, they note. In addition, textile workers received a pay rise last year that may have been due at least in part to the mills' greater prosperity, they say.

Frank Lowenstein, an Agriculture Department economist, similarly notes the bill's benefits, but adds it may still be "too early to judge" the legislation's success. "When there is a whopping price change such as the bill provided, it sometimes takes 2 or 3 years or more for the effects to work down through the marketing system," he says.

When the bill took effect April 11, prices of cotton cloth slipped briefly. But then buyers, who had been holding off awaiting the bill's passage, began to pour their orders in, and prices edged up. Because of the rush, some mills early last fall had cotton goods output booked through this year's second quarter to a much greater degree than in several years. And prices generally held firm.

SOME EXECUTIVE CONCERNS

Some mill executives fret that if Congress delays acting on extension of the bill, the uncertainty of which Mr. Cone spoke could return. Adding to their concern: In his farm message President Johnson said he would offer specific proposals to reduce the cost of this program and the level of cotton stocks. Administration sources indicate, however, that a radical overhaul of the cotton pricing program isn't likely.

In urging passage of the bill last year, industry and Government spokesmen suggested consumer prices would be cut, too. While prices of corduroy, denim, and some other goods have fallen, the widely used print cloths are generally above last April's levels, and critics of the bill cite this often. "They promised savings would be passed through, but on too many goods it just hasn't happened," says Max Milstein, House Dress Institute counsel. Commenting on mill earnings gains, he adds wryly, "I'd be more prosperous, too, if the Government would hand me a present of millions of dollars."

Senator AIKEN, Republican, of Vermont, senior Republican on the Senate Agricultural Committee and a foe of the bill last year, sees a need for legislation to allow the mills to compete on an equal basis with foreign mills. But he believes the mills should prove their need for the present program in light of their earnings of the past 12 months.

Mr. Lowenstein of the Agriculture Department adds that the high level of capital ex-

penditures may ultimately help bring the lower consumer prices the bill's opponents have urged.

The wage rise southern textile workers won last year may soon be followed by another for those in the North. The union has announced plans to seek a 15-percent wage increase, a pension plan, and fringe benefit gains for its northern members when it reopens its contract this spring.

George Perkell, Textile Workers Union research chief, noted the union endorsed the one-price bill last year but will await results of the wage negotiations before taking a stand this year. Last year's pay boost, he adds, "was advertised as 5 percent, but often worked out to less. The firms could have given us 25 percent across the board and still had 55 percent of the pricing bill's savings left."

Though the law's impact on earnings has been sharp for many textile companies, for others it has been negligible. Collins & Aikman, Inc., for example, which uses synthetic fibers mainly, notes cotton goods account for so little of the firm's output that "we'll hardly feel the law at all."

IMPROVING PROFIT MARGINS

Along with other favorable factors, nevertheless, the new law has helped to lift the industry's traditionally low profit margins. Some gains have already been posted. More are expected.

The SEC figures industry profit margins for 1963 at an average 2.3 percent, off from 2.47 percent in 1962. But for the first 9 months of 1964, profit as a percentage of sales was 2.9 percent, and for the third quarter alone it was 3.7 percent, the SEC reported. Here are some of the latest samples of profit after taxes as a percentage of sales, compared with year-earlier levels: In the year ended October 3, Burlington's was 4.2 percent, up from 3.7 percent; in the 9 months to September 30, Lowenstein's was 2.4 percent, up from 0.8 percent; Cone Mills, 3.3 percent and 1.5 percent, and Dan River, 4.2 percent and 3.4 percent, both for the 9 months.

Prime reasons for the rise: The pricing bill, last year's tax cut, benefits of efficient new equipment, and sales gains that almost certainly pushed industry volume above 1963's record $15 billion. Nine month sales, the SEC said, jumped 7 percent from 1963.

Another trend reflecting the health of the industry is the apparent reduction in unit labor costs. Official statistics aren't available, but one company executive notes that "figuring employment against either total sales dollars or production would show a decline in labor costs."

The Textile Workers' Mr. Perkell says industry output per man-hour has climbed an average 5 percent annually in recent years while wages have gone up 2 percent a year on average, even with last year's rise. Fringe benefits, the union official contends, "have gone up only slightly."

A prime problem still facing the industry, executives and analysts agree, is the continuing competitive pressure of imports. Mills making woolens and worsteds, in which imports aren't regulated, have been hit hardest. The cotton goods inflow has been contained somewhat through an international agreement that took effect in 1962. A similar accord on woolens is desired by many in the industry.

Under the cotton pact, the flow of imports will rise gradually. "But," notes one executive, "it helps us because it provides for more orderly marketing procedures, allowing for more reasonable planning and production. In the past, we might be flooded by one item one year and then, after gearing to meet that competition, get flooded by another next year. Now we know in advance how much of each item is coming in and this creates some stability that previously was lacking."

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD two tabulations. One is entitled "Unfinished Cloth Prices, Cotton Prices, and Mill Margins, July 1963, 1964, and 1965." The other tabulation is entitled "Bureau of Labor Statistics—Wholesale Prices Indexes for Selected Cotton Items—1957–1959 Equals 100—July 1963, 1964, and 1965."

There being no objection, the tabulations were ordered to be printed in the RECORD, as follows:

Unfinished cloth prices, cotton prices, and mill margins, July 1963, 1964, and 1965

[In cents]

Cloth	Cloth prices [1]			Cotton prices [2]			Mill margins [3]		
	July 1963	July 1964	July 1965	July 1963	July 1964	July 1965 [4]	July 1963	July 1964	July 1965
20 constructions average	60.28	60.95	65.30	35.57	35.60	27.33	24.71	25.09	37.97
Print cloth:									
Average (6)	66.98	68.11	80.77	36.33	36.51	28.28	30.65	31.60	52.49
38½ inch, 44 by 36, 8.60	69.48	72.41	90.71	36.33	36.51	28.28	33.15	35.90	62.43
38½ inch, 64 by 60, 5.35	67.20	66.00	81.60	36.33	36.51	28.28	30.87	29.49	53.32
39 inch, 68 by 72, 4.75	67.10	67.10	79.88	36.33	36.51	28.28	30.77	30.59	51.60
39 inch, 80 by 80, 4.00	66.88	65.98	73.60	36.33	36.51	28.28	30.55	29.47	45.32
45 inch, 60 by 48, 5.35	65.71	69.02	77.90	36.33	36.51	28.28	29.38	32.51	49.62
45 inch, 64 by 56, 4.75	65.52	68.16	80.94	36.33	36.51	28.28	29.19	31.65	52.66
Carded broadcloth:									
Average (2)	63.55	65.73	70.94	36.83	36.97	28.78	26.72	26.19	42.16
37 inch, 100 by 58, 4.00	63.29	66.88	66.50	36.83	36.97	28.78	26.46	26.56	37.72
41 inch, 78 by 56, 4.57	63.80	64.58	75.37	36.83	36.97	28.78	26.97	25.81	46.59
Sheetings:									
Average (4)	56.92	58.10	58.66	35.14	35.09	26.76	21.78	23.01	31.90
40 inch, 48 by 48, 2.85	55.95	58.75	56.25	35.14	35.09	26.76	20.81	23.66	29.49
40 inch, 48 by 44, 3.75	56.10	57.35	57.75	35.14	35.09	26.76	20.96	22.26	30.99
40 inch, 56 by 48, 4.30	59.54	59.54	65.21	35.14	35.09	26.76	24.40	24.45	38.45
40½ inch, 42 by 44, 3.00	56.10	56.76	55.44	35.14	35.09	26.76	20.96	21.67	28.68
Drills:									
Average (2)	54.28	54.30	53.80	35.36	35.29	26.99	18.92	19.01	26.81
40 inch, 68 by 40, 2.55	55.13	53.66	53.96	35.36	35.29	26.99	19.77	18.37	26.97
39½ inch, 72 by 60, 1.96	53.42	54.93	53.63	35.36	35.29	26.99	18.06	19.64	26.64
Twills:									
Average (3)	56.06	56.34	55.79	35.82	35.80	27.66	20.24	20.54	28.13
39 inch, 68 by 80, 3.00	60.95	61.61	61.96	35.82	35.80	27.66	25.13	25.81	34.30
44 inch, 88 by 42, 1.72	51.88	52.06	50.54	35.82	35.80	27.66	16.06	16.26	22.88
44 inch, 88 by 42, 2.01	55.34	55.34	54.87	35.82	35.80	27.66	19.52	19.54	27.21
Osnaburg:									
40 inch, 40 by 26, 2.11	45.54	44.75	44.21	32.64	32.28	24.07	12.90	12.47	20.14
Ducks:									
Average (2)	63.34	62.02	62.87	34.21	34.21	25.66	29.13	27.81	37.21
8 ounce, S.F. grade A	59.07	57.28	57.28	34.21	34.21	25.66	24.86	23.07	31.62
8 ounce Army	67.60	66.76	68.45	34.21	34.21	25.66	33.39	32.55	42.79

[1] The estimated value of cloth obtainable from a pound of cotton with adjustments for salable waste.

[2] Monthly average prices of cotton used in each kind of cloth for 4 territory growths, even-running lots, prompt shipment, delivered at group 201 (group B) mill points, including landing costs and brokerage.

[3] Difference between cloth prices and prices for the average qualities of cotton used in the 20 constructions.

[4] Prices are for cotton after equalization payments of 6.5 cents per pound, which became effective Apr. 11, 1964.

Source: Cotton price statistics, Consumer and Marketing Service.

Bureau of Labor Statistics—Wholesale prices indexes for selected cotton items (1957–59=100), July 1963, 1964, 1965 [1]

Item	July 1963	July 1964	July 1965
Raw cotton, spot market	98.7	96.9	91.0
Cotton products	99.8	98.3	100.3
Cotton yarns	97.5	93.0	93.6
Carded, W, 10/1	98.7	92.2	91.6
Carded, W, 20/2	96.0	91.7	94.6
Carded, K, 20/1	97.4	91.5	92.1
Carded, K, 30/1	97.3	92.8	93.7
Combed, W, 40/2	97.9	95.2	95.4
Combed, K, 36/2	98.1	94.8	95.7
Combed, K, 30/1	96.6	92.2	91.6
Finished broad woven	96.8	95.3	96.8
Fabrics except mill finish			
Percale, 64 x 60	105.7	107.7	115.9
Percale, print, W & W [2]	103.5	102.2	107.1
Broadcloth, combed	82.8	81.8	83.5
Twill, combed, 36 inch	100.9	97.0	97.0
Shirting, combed	98.7	94.9	94.0
Corduroy, carded	101.7	97.6	93.2
Twill, carded, uniform	98.1	93.0	91.9
Sateen, carded, W & W [2]	88.7	89.7	88.2
Cotton broadwoven	102.0	99.9	104.5
Grey fabrics:			
Sheeting, class A	107.7	113.2	109.5
Sheeting, class B, 3.75 lb./yd	104.1	104.0	107.1
Sheeting, class C	102.6	108.1	108.0
Osnaburg	111.0	107.7	109.9
Industrial sheeting	96.5	92.4	97.5
Drill	106.1	107.1	107.1
Twill carded 4 leaf	101.6	98.6	99.4
Tobacco cloth	101.6	98.1	103.8
Print cloth, 78 x 78 [2]	80.4	77.2	88.0
Print cloth, 68 x 72	98.7	99.1	117.9
Broadcloth carded 98x56	97.8	100.4	103.8
Broadcloth carded 78x54	98.3	98.3	119.3
Window shade cloth	103.7	96.4	101.6
Lawn, combed, 40 inch	90.3	86.6	118.8
Broadcloth, combed 47 inch	91.9	92.3	101.8
Sateen, combed [2]	96.9	82.8	85.9
Barkcloth	98.6	106.7	106.7
Denim, millifinished	105.2	101.5	95.9
Bedticking, millfinished	106.2	105.0	108.8
Gingham combed, mill-finished	97.8	93.4	94.2
Outing flannel, mill-finished	100.5	101.0	98.1
Canton flannel, mill-finished	109.4	102.6	105.5
Flatduck	110.9	105.8	105.8
Armyduck	104.3	101.2	103.8
Numbered duck	113.9	110.9	110.9
Zipper tape	82.5	82.5	83.9
Thread, home use, size 40	131.8	117.2	125.2
Thread, industrial, size 70	104.4	105.0	105.0
Thread, industrial, size 40	101.8	101.8	101.8
Cotton, house furnishings	102.3	103.4	102.8
Sheets, type 128	103.6	105.3	105.3
Sheets, type 180 [2]	104.7	106.8	106.8
Pillowcases	107.4	110.9	110.9
Towels	99.1	99.1	97.9
Toweling	107.0	107.8	104.4
Blanket	103.5	104.5	104.4
Bedspread, jacquard weave	97.7	97.7	97.7
Cotton apparel	102.2	103.3	103.7
Housedresses, women's	101.4	101.4	101.4
Nightgown, women's	101.7	101.7	101.7
Hosiery, women's	99.0	99.0	99.0
Shirt, men's, pop. quality	103.4	104.2	103.4
Work trousers, men's twill	102.9	103.1	103.0
T-shirt, men's, knit	104.1	104.3	104.2
Polo shirt, men's	98.9	100.0	100.0
Shirt, boy's	113.0	114.6	114.8
Dungarees, boy's	105.8	106.1	104.6
Polo shirt, boy's	132.7	132.7	133.5
Dress, girls', pop. quality	99.7	99.7	99.7
Dress, girls', medium quality	104.8	104.8	104.8
Blouse, girls'	100.0	100.0	100.0
Slip, girls'	101.5	101.5	101.5
Sleeping garment, children's	113.4	118.4	117.8
Hosiery, children's	96.1	96.1	96.1

[1] Compiled from BLS data.
[2] ERS. E. & SAD.

Mr. ELLENDER. Mr. President, these tabulations indicate that, notwithstanding the fact that there is a one-price system, cotton goods prices have not gone down.

I shall not take time to explain all this material.

Mr. PASTORE. Mr. President, will the Senator yield

Mr. ELLENDER. On the opposition time.

Mr. PASTORE. Mr. President, if the Senator will grant me the time, or, even on our own time, I ask the Senator how he accounts for the fact that scores of mills have closed down in Rhode Island in the past 10 years. If this picture is so rosy, how does the Senator account for the half a million mill workers who are walking the streets today and applying to the antipoverty program? How about the mills that have closed down all over the country, to the tune of 1,000 mills in 10 years, while some farmers have been riding around in air-conditioned Cadillacs?

Mr. ELLENDER. The answer is very simple. The cotton mills of the Northeast were probably constructed in the year one. They are antiques. This is the same condition which existed in my own State, in regard to the production of sugar, as I stated yesterday. In my own parish there were eight mills to grind the cane produced in that parish. Today there are two. They are of the modern kind. That is what is lacking in Rhode Island, Maine, and in other sections of the United States.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ELLENDER. The Federal Government is making a tax subsidy and a cotton subsidy available to those cotton mills so that they can be rebuilt. That is the entire story. That is what has happened since the bill was put into effect.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ELLENDER. On the opposition time.

Mr. PASTORE. Has the Senator visted Rhode Island to see the modernity of our mills?

Mr. ELLENDER. Mr. President, I know that not all of them are new. The mills which are closed are the ones which were built in the year one.

Mr. PASTORE. They are not as new as the ones that have been built in Japan with foreign aid money. Of course they are not, but, they are new enough.

The PRESIDING OFFICER. Who yields time?

Mr. ELLENDER. Mr. President, I am not yielding on my time.

Mr. President, the duty of the Committee on Agriculture and Forestry is plain. Its duty is to protect the producers of agricultural commodities. The purpose of the bill is designed not only to keep the cotton producers in business, but also the producers of other commodities such as wheat, rice, and wool.

Mr. President, under the logic of the amendment the wheat millers would have the right to ask for a subsidy, as the cotton mills have done, because wheat millers must pay the equivalent of 75 cents a bushel more for the wheat to produce flour than the cost of wheat sold abroad.

As I have indicated on many occasions, the cotton mills of the United States cannot compete with the mills abroad. Therefore, we have afforded them protection through tariffs. It is true that tariffs may not be high enough. However, I point out that 96 percent of the production of the mills of this country is sold on the best market in the world, and that is the American market.

I realize that the textile mills of the Northeast cannot compete with those of Japan because of lower labor costs there. No effort is made on the part of any of our textile mills to compete abroad with the manufactured products of other countries, because that cannot be done.

Mr. President, I have labored with agricultural problems for almost 30 years. Since 1937 I have had a hand in developing every agricultural law now on the statute books. I have tried, to the best of my ability, to keep the producers, who are the lifeblood of America, in business.

Mr. President, it is true that the distinguished Senator from Georgia has taken out of my bill a clause or a section which would take care of the small farmer. However, this would be only for the first year. What would be done in the first year is spelled out. However, the rest of the time too much is left to the discretion of the Department of Agriculture. If Congress really has the welfare of the producer at heart, the Congress should by statute provide him with adequate price protection, rather than leaving such matter almost entirely to the Secretary's discretion.

There is no comparison between the provisions in the bill as conceived by the committee and the amendment proposed by the distinguished Senator from Georgia insofar as protection for the producers of cotton is concerned. In the bill before us, the producers, large and small, are assured of a 65 to 90 percent parity payment on all of their allotted acres.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield myself 5 additional minutes.

The amendment of the Senator from Georgia is similar to the House provisions for cotton.

The Senator's amendment would—

First. Authorize payments on raw cotton in inventory on July 31, 1966.

Second. Permit a producer to overplant his allotment by 50 percent without being subject to marketing penalties.

Third. Require a producer who cooperates with the program to reduce his acreage 10 percent below his allotment in 1966, and up to 10 percent, as prescribed by the Secretary, in 1967, 1968, and 1969.

Fourth. Provide protection to the small grower similar to that provided for by the committee bill. The producer with an allotment of 10 acres or less under the amendment of the Senator from Georgia could plant his entire allotment, receive price support through loans and payments at between 65 and 90 percent of parity, and receive diversion payments on 35 percent of his allotment at such rate as might be prescribed by the Secretary—but not less than 50 percent of the loan rate, there being no minimum loan rate after 1966.

Fifth. Reduce the minimum cotton support price for all other producers from 65 percent of parity on the production from the entire allotment to 65 percent of parity on the production from 65 percent of the acreage allotment—an average of 42.25 percent of parity if

spread over the entire allotment. This support would consist of the following: First, a loan of zero to 90 percent of the estimated world price—except that it would be 21 cents for 1966; second, a payment on the projected yield of not less than 65 percent of the acreage allotment at a level which, with the loan, equals not less than 65, nor more than 90 percent of parity; and third, a payment for diverting acreage from cotton to conserving uses to the extent prescribed by the Secretary. This payment could not be less than 50 percent of the loan level—and again I might point out that there is no minimum loan level after 1966—multipled by the farm projected yield multiplied by the number of acres diverted.

Sixth. Payments to producers who plant no cotton. The rate of payment in this case would—for 1966—be 10½ cents—50 percent of the loan rate—and for 1967 through 1969 a rate comparable to that paid other producers for diverting acreage from cotton. This rate would be paid on 15 percent of the producer's allotment, and he could release the remaining 85 percent for reapportionment to other farms.

Seventh. Acreage not planted because of natural disaster would be considered as planted for the purpose of any payments under the Senator's amendment.

Eighth. Require cotton to be made available by Commodity Credit Corporation for unrestricted use at current market prices in the amount by which production is less than requirements.

There are a number of things that are wrong with the Senator's amendment.

First, it would permit those who do not want to cooperate in the program to overplant their allotments by 50 percent. At the same time it would cut those who do want to cooperate by up to 10 percent. When we are trying to keep production in line, we should not cut those who cooperate and permit additional production by others.

Second, the Senator's amendment would not provide as much protection for the small producer as does the committee amendment. The Senator's amendment would guarantee such producers at least 65 percent of parity on the projected yield of their acreage allotments. That is the minimum guarantee for 1967 through 1969. The committee amendment would give such producers the same minimum guarantee for those years plus a further minimum guarantee of at least 20 percent more.

Third, all other producers would fare much worse under the Senator's amendment than they would under the committee amendment. They would be guaranteed only 65 percent of parity on 65 percent of their allotments. Under the committee bill they would be guaranteed 65 percent of parity on their whole allotments.

The principal difference between the Senator's bill and the committee amendment is that the Senator's amendment would reduce the support price in order to add to the profit margins of the mills, while the committee bill would continue price support at current statutory levels as a protection to the producer. Because there are so many producing units, which individually have little bargaining power, and because a small surplus is so destructive of price in such situations, Congress has seen fit to support farm prices. This is also helpful to the mills and the consumers because it keeps a healthy farm economy producing for their needs. To the extent that we remove price supports, the mills will get cotton cheaper for a while. Experience in 1964, shows that the consumer will not get the advantage of it. The use of cotton in relation to synthetics will not increase. But mill margins will go up. That is what the experience of 1964 shows us. That is what the amendment of the Senator from Georgia will do.

One other provision of the Senator's amendment probably should be mentioned. Perhaps it is the keystone of the amendment, for it is the one provision which I believe has been contained in every version of the House cotton provisions. It begins on page 9, line 5; and it provides what shall be done if Congress refuses to permit the amendment to be carried out as written.

I do not believe that the Senate should approve an amendment, when even its proponents doubt that Congress would be willing to permit it to be carried out.

The amendment of the Senator from Georgia really differs very little from the present law in philosophical terms. The important one-price concept has been maintained, although the level has been reduced by about 2½ cents. In retaining the one-price concept the Senator would also retain the same ills of the present program. For example, our exports under the present law have suffered and I predict that exports under the amendment will also suffer, although perhaps not as much. We still announce our export price at the beginning of the season, and our competitors in world markets will still be able to undersell us just as they have done this year and last. The amendment does not change this in any respect.

Second, domestic mills will receive cotton at the same price as foreign mills, but, I predict that the use of cotton domestically will not attain the levels predicted by the Department of Agriculture. I predict further, that mill profits will continue to improve at the expense of the Federal Government and to the detriment of producers and local communities throughout the Cotton Belt.

Because of the drastic acreage cuts contemplated by the amendment on the one hand, and the open-end planting on the other, the small rural communities in the South which are surrounded by small farms will become ghost towns. These small farms cannot afford not to cut, while the large corporate farms in the West cannot afford not to plant in excess of the allotment. Cotton acreage during the next 4 years will move west, while the small cotton acreage in the Southeast will disappear, never again to be planted, whatever we do after the next 4 years. Further, I predict that sometime during the next 4 years an effort will be made to limit the payment to farms. This would never be done to mills, but it will be done to the farmers of the Nation. As a result cotton producers will find themselves faced with attempting to produce cotton virtually at world prices. Under these circumstances economic chaos can be expected in cotton-producing areas.

I can see no earthly good in the amendment before us. I see nothing that will benefit the farming areas of the Nation. I see only more and bigger profits to domestic cotton mills which are already reaping the rewards of the 1964 law passed last year.

The PRESIDING OFFICER. The additional 5 minutes the Senator yielded himself have expired.

Mr. ELLENDER. I yield myself 2 additional minutes.

That protection was established by the Agricultural Act of 1958. That law provided the producer with a guaranteed support price of not less than 65, and not more than 90 percent of parity. It guaranteed to the producer national acreage allotment of at least 16 million acres, plus a reserve of about 300,000 acres. The Senator's amendment would do away with both of these twin protective devices. The price-support loan would be reduced to not more than 90 percent of the estimated world price, but it could be fixed as low as the Secretary saw fit, at 80 percent, 70 percent, or any lower percent of the world price. And as the world price was driven down the loan level would go lower and lower. The Senator, himself, has said that the committee bill in seeking to export 6 million bales a year would disrupt the world cotton market, and that his amendment would get the Government out of the pawnbroker business by selling more cotton at competitive world prices. So under the Senator's amendment the world price would be forced down further and further, and the support loan would be forced down further and further. If Congress continued to provide funds for ever-increasing payments, the difference between this decreasing loan and 65 percent of parity would be paid to the farmer on the production of 65 percent of his allotment. On the rest of his allotment he would get only the loan.

When we passed the Agricultural Act of 1958, there was no reasonable minimum national acreage allotment and the cotton producers were faced with continually decreasing allotments. We had to give up a little in price support, in order to obtain a guaranteed minimum acreage for the farmer. But we did it, and the acreage was increased. But the Senator's amendment cuts both the price and the acreage.

The committee bill does not do this. The committee bill maintains both the support-price range and the minimum allotment that we obtained in 1958. In addition it provides producers with increased support if they reduce to their domestic allotments. It provides small producers with these payments without requiring them to reduce their acreage. In other words, while the Senator's amendment takes from producers at both ends, the committee bill takes nothing away from the producer.

One of the reasons our exports suffered last year was that we required the domestic price to be equalized with the export price. This meant that every time we reduced our export price we had to increase the domestic subsidy. In order to keep our domestic subsidy within some limits the Department consequently held the export price up, and exports fell. The Senator's amendment continues a one-price system in effect, and will therefore continue this inhibiting influence on exports.

The committee bill would divorce the domestic and export prices. The domestic mill would benefit from a 3-cent payment. The export sales would be made on a bid basis and we would dispose of more cotton.

We are facing almost exactly the same situation which prevailed last year when the present law was enacted. At that time the Department of Agriculture vigorously supported the proposal just as they support the present proposal. Then, as now, they presented cost estimates and other projections to the Congress showing how wonderful the program was to be. At that time carryover stocks of upland cotton were estimated at 12.1 million bales. Domestic consumption of cotton allegedly was losing ground to manmade fibers and exports were held to be suffering, and the cost of the old program was held to be excessive.

On the floor of the Senate I predicted that the proposal which is now law would be detrimental to producers, would be more costly, would make no contribution toward solving the problems facing us, and the only ones to benefit from this type program would be the domestic cotton mills.

But the proponents argued otherwise. They claimed that according to the Department of Agriculture the cost of the program would be reduced to $448 million, that consumers would benefit to the tune of $700 million, that domestic mill use of cotton would increase by 1.1 million bales, that exports would total 5 million bales, that CCC stocks of cotton would decrease 2,150,000 bales, that total carryover would decrease by 1,650,000 bales, that the use of manmade fibers would decrease, and that all problems then facing the cotton industry would be solved.

But the fact is that in no instance were the estimates by the Department of Agriculture correct, or the proponents of the present law correct. The cost of the 1964 program, as estimated by the Department of Agriculture on February 19, 1964, only months before the existing law was to become effective, was put at $448 million. I might add that last year the Department estimated the cost of my alternative proposal at $500 million. I will have more to say about this a little later because again this year the Department has estimated my new proposal at a higher level than the one it favors. I do not want to accuse them of rigging the figures but I thought I would mention that somehow or other their cost estimates always show the program they favor to be the less expensive. But to get back to my point. As I said, the Department estimated the cost of the present law for 1964 at $448 million. But what has the actual cost been? Well, in the latest estimate received by the committee, the cost of the 1964 cotton program amounted to $892.7 million—almost double the original estimates of the Department of Agriculture and $392.7 million more than the cost of the program I proposed last year.

The proponents of the present law used a letter from the Secretary of Commerce, which can be found on page 510 of part II of the hearings held in January and February of 1964, to substantiate their claim that consumers would benefit. In a letter addressed to me, Mr. Hodges said that the Department of Commerce estimated that savings to consumers would amount to about $90 million for each cent reduction in the price of raw cotton, with the total savings to consumers estimated to be $700 million. Now that the first year of the present law is behind us, the record shows that cloth prices have increased rather than decreased.

For the past 25 years the Cotton Division of the Consumer and Marketing Service of the Department of Agriculture has regularly published prices of cloth and cotton and mill margins. As a matter of fact the American Textile Manufacturers Institute used these same data to substantiate their claim that cloth prices would immediately reflect the lower cotton price contemplated by the proposed law. The information I have placed in the record shows that the average cloth prices of 20 constructions in July 1963 amounted to 60.28 cents per pound, in July 1964 cloth prices averaged 60.95 cents per pound, and in July of this year the same 20 constructions averaged 65.30 cents per pound, an increase of 4.35 cents during the same year that consumers were supposed to save $700 million by the enactment of the present law.

During this period prices of cotton to the mills declined from 35.57 cents in 1963 and 35.60 cents in 1964 to 27.33 cents in July of 1965. This is a decline of 8.27 cents per pound in the price of raw cotton to the domestic mills of this Nation.

Mill margins, which is the difference between cloth prices and cotton prices increased from 24.71 cents in 1963 and 25.09 cents in 1964 to 37.97 cents in July of 1965, an increase of 12.88 cents per pound. In other words, the tremendous saving that was supposed to be passed on by the domestic mills to the consumers of this Nation not only was retained by the domestic mills, but margins actually increased even over and above cotton price reduction. As a result, consumers are paying more now for textiles than they were last year and the year before, notwithstanding the fact that domestic mills are getting cotton at about 8.5 cents a pound less than they did before the one-price cotton law became effective.

Now what about exports? The year before this new law became effective, exports of cotton from the United States amounted to 5.7 million bales, but during the first year of the so-called one-price system, exports amounted to only 4 million bales, a decrease of 1.7 million bales in the first year of its operation and about 1 million bales less than the Department's estimate. Furthermore, exports during the present marketing year are again very slow and are not expected to total much more than last year's very poor showing.

The Department of Agriculture also estimated that the Commodity Credit Corporation's stocks of cotton would decrease by 2,150,000 bales. But the facts show that instead of decreasing there was an increase of about 550,000 bales, for a total error in the Department's estimates of 2.7 million bales.

Total carryover stocks were also supposed to decline according to the predictions of the Department of Agriculture by 1,650,000 bales. However, the record shows that instead of declining, carryover stocks actually increased by 1.1 million bales for a total error of 2,750,000 bales.

The proponents also claimed that the one-price program would result in a decrease in the use of manmade fibers by domestic mills. Here again they were wrong. Instead of decreasing, the use of manmade fibers increased by 210,000 bales over the year before, and the use of rayon is slightly above the previous year.

Their claim that one-price cotton would halt the trend to synthetics was disputed by me on the floor of the Senate. At that time I contended that the trend toward synthetics was not peculiar to the United States but was in evidence throughout the world. I pointed out that in the United Kingdom the use of cotton as a percentage of all fibers used amounted to 52.3 percent in 1952, whereas in 1963, the latest data available, cotton use had declined to 28.6 percent of the total. In Japan, cotton use declined during this same period from 64.6 to 27.4 percent. In Belgium, cotton use declined from 69.2 to 45.7 percent. In France, the decline was from 60.3 to 46 percent. In Italy, the decline was from 62 to 44.4 percent. Purchases of cotton by foreign countries is made on world markets at world prices. In the United States the decline was from 69.5 to 55.8 percent, a smaller decline than in other countries, notwithstanding the fact that domestic mills bought cotton at higher prices.

Finally, the Department of Agriculture last February estimated that domestic mill consumption of cotton would increase by 1.1 million bales under their so-called one-price cotton program.

The results are now in, and the actual mill consumption increased by only 600,000 bales, slightly more than one-half the Department's predictions.

Mr. President, I said earlier that I would have more to say about the Department's predictions. So far I have shown, from their own figures, how utterly wrong they were last year in February when they were predicting for the crop that was to be planted in just a few months. Now, this year, even before the 1965 crop is fully harvested, they are

predicting for 1966–67. Undoubtedly they believe that they are seers—but from past performance, as I have shown, I do not believe that their crystal ball is any better than anyone elses. As a matter of fact, I said on the Senate floor last year that they were wrong in their estimates, and my predictions did come to pass, for the law that was enacted, and the Department supported, turned out to be an absolute failure in every regard.

Last year's legislation was designed to help only the domestic mills. They received a windfall amounting to about $32.50 for every bale of cotton they consumed. On a 9.1-million-bale consumption this amounted to $295.7 million—quite a pocketfull.

But, Mr. President, the bill that the committee approved this year is a farm bill in every sense of the word. It is designed to protect farm income, to provide markets for producers of cotton, to insure the well-being of the thousands of small rural communities scattered throughout the Cotton Belt upon which farmers depend so heavily, and to lay the groundwork for a sound future for cotton.

The Senate cotton amendment is a very simple but direct attack on the fundamental problems facing cotton. It provides for a minimum of changes, but these will accomplish our purposes.

Under the Senate amendment we retain the 65 to 90 percent of parity price-support concept on the total allotment of producers. The Senate amendment provides farmers with the price and income protection they so sorely need. The amendment, however, provides farmers with protection only on 65 percent of their allotments and then part or perhaps all of this could be payments. Actually, the amendment, as it relates to cotton, is a wide-open affair, giving the Secretary of Agriculture unheard of discretionary authority. Under the amendment, price support consists of payments plus a loan level. But the loan level cannot be set above 90 percent of the world price, and could be set at zero. Therefore, the Secretary could, and I do not say he would, but he could set the loan level at zero with payments to cooperators set at 65 percent of parity or 27.31 cents per pound.

In other words, under the amendment the producer would depend upon the Government for the major portion of his income.

The Senate bill also provides for an orderly reduction in stocks, but not so sharply as to critically injure the economies of the many local rural communities which depend upon cotton for their well-being. Farmers and the local communities are partners, so to speak, in maintaining economic stability in their areas. Business in small communities depend upon farmers for this well-being just as farmers depend upon the local communities for the many supplies and services needed in operating their farms. This is a joint venture and one which must be preserved.

The Senate bill makes this possible by providing for a domestic allotment equal to 65 percent of the total allotment. Farmers who wish to reduce production are offered an incentive payment of between 20 and 40 percent of the support price. In 1966, the incentive payment would amount to 25 percent of the support price. This is purely voluntary. There is no mandatory cut such as contained in the amendment. The method provided by the Senate bill is far superior and under it the committee believes that enough grower participation can be secured so that stocks can be reduced in an orderly fashion over the 4-year period to reasonable levels. After the stocks are reduced we can proceed under the law as originally intended.

Although I believe that the domestic mill subsidy is wrong, the committee felt that some concession should be made in order to bring domestic prices more in line with prices paid by foreign mills. Therefore a 3-cent subsidy was provided for. This ought to compensate for the higher transportation costs paid by foreign mills, which the record shows is about 2.5 to 3.5 cents more than domestic mills pay.

Finally the committee felt that cotton exports must be increased if the cotton industry in this country is to survive.

During the 5-year period 1956–60 our exports averaged just at 6 million bales. The average for the 1961–65 period, however, amounts to only 4.4 million bales in spite of the fact that world consumption has increased.

The practice by the Department of Agriculture in announcing a fixed subsidy prior to the beginning of the marketing year, which has remained in effect throughout the year without change, has been detrimental to our export effort. In effect, this sets the world price, and our foreign competitors market their entire crop by selling their cotton just below our announced price.

The committee believes that our competitive position abroad will be improved materially by the amendment to existing law which would prohibit the preseason announcement of our export price and to move instead to a bid basis. In this way, world supply and demand will determine world prices and our exporters will be on equal footing with foreign exporters in marketing cotton abroad. In closing, Mr. President, I predict that the proponents of this amendment will be proved just as wrong as were the proponents of the present law.

Mr. President, I have placed in the RECORD quite a few tables indicating that notwithstanding all that has been said by the proponents of this bill in regard to the additional amounts that will be used——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. May I ask how much time remains?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. ELLENDER. I yield 5 minutes to the distinguished Senator from Kentucky.

Mr. COOPER. Mr. President, I do not come from a State which produces a great amount of cotton, and I do not have such specific and intimate knowledge of cotton as do both those who support and those who oppose the Talmadge amendment. But as a member of the Agriculture Committee, and one who voted against the Talmadge amendment—defeated in the committee by a vote of 8 to 7—I think I have a duty to explain my views as one who is concerned with the question from a national standpoint.

The arguments of the Senator from Georgia are very persuasive. I know, of course, that both those who support Senator TALMADGE, and those who support Senator ELLENDER'S cotton plan, adopted by the committee, are equally concerned that the cotton grower secure a fair price for his cotton.

At first impression, I thought the proposal of the able Senator from Georgia [Mr. TALMADGE] should be adopted. But as we discussed the plan in the committee, several questions arose which I do not believe have been satisfactorily answered.

As I see it, the success of the Talmadge proposal depends upon the assumption that cotton will move freely into the world market. The danger in this assumption seems to me to be this: If all or a large part of the U.S. cotton crop over domestic needs, not to mention CCC holdings, begins to move abruptly into the world market, the world price, of course, will go down. But as the price drops, other cotton producers throughout the world will be able to meet the price at which this country can sell.

As this happens, I believe we will be in the same situation we are in today—that is, our exports will not increase in any significant volume, and the CCC would be required to take additional stocks into its inventory.

This is a contingency which the Talmadge amendment does not anticipate, and in fact assumes will not occur. However, I think it is reasonable to believe that other nations may be as competitive at a lower price as they are today, unless the world price drops to an extremely low level.

Then what will happen? Under the Talmadge proposal, the Federal Government must make up the difference between the 65 percent of parity support price and the CCC loan level set by the Secretary at not more than 90 percent of the world price. That would mean, of course, that as the world price declines, the Government would have to make larger payments to the cotton producers than is anticipated in the first year of operation under the bill.

A third point which I do not believe has been sufficiently considered is that under the Ellender proposal, as contrasted to the Talmadge proposal, the U.S. Government has some control over the cost to the Government of the cotton program. This must be considered, as the public interest is involved. If the Talmadge program does not work, we could lose control of the cost.

The textile mills and their workers deserve consideration. But the mills constitute the one element in the cotton

industry which has an inflexible guarantee under the Talmadge amendment—the guarantee that it will be able to buy cotton at whatever the world price becomes, regardless of whether the plan works, and whatever its cost to the Government.

I think the Ellender amendment meets all the objectives fairly, and with reasonable assurance of success to assure a fair price for the producer, to assist the mills and their workers, and to leave in the Federal Government some control over the cost of the program. For these reasons, I support the Ellender plan, voted by the committee, and oppose the pending amendment of the Senator from Georgia.

Mr. ELLENDER. I yield 1 minute to the Senator from Texas.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table appearing at page 60 of the report, a table showing the percent of original allotment farms by size groups.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1964 upland cotton: Percent of original allotment farms by size groups

State	Number of original allotment farms	Size of original allotment (in percent) [1]										
		0.1 to 4.9 acres	5 to 10 acres	10.1 to 14.9 acres	15 to 29.9 acres	30 to 49.9 acres	50 to 99.9 acres	100 to 199.9 acres	200 to 349.9 acres	350 to 499.9 acres	500 to 999.9 acres	1,000 acres and over
Alabama	93,714	40.6	34.0	10.5	9.6	2.9	1.6	0.6	0.2	[2]	[2]	[2]
Arizona	3,218	6.9	9.9	9.1	15.9	13.3	17.2	14.5	7.7	2.5	2.2	0.8
Arkansas	44,244	20.6	24.3	15.1	19.9	8.1	6.4	3.4	1.3	.4	.4	.1
California	10,467	11.5	11.6	17.0	17.9	12.4	14.3	9.0	3.6	1.0	1.2	.5
Florida	5,589	56.7	27.7	7.0	6.7	1.3	.5	.1	[2]			
Georgia	61,730	30.0	32.3	12.9	15.8	5.3	2.8	.8	.1	[2]	[2]	
Illinois	335	59.1	21.5	8.1	5.9	3.3	1.2	.6	.3			
Kansas	3		100.0									
Kentucky	805	68.6	14.8	3.0	6.2	4.1	2.2	1.0	.1			
Louisiana	27,330	23.2	32.2	13.8	16.7	6.2	4.6	2.2	.8	.2	.1	[2]
Mississippi	73,128	32.8	30.4	12.3	12.9	4.5	3.3	2.0	1.1	.4	.2	.1
Missouri	14,006	21.0	19.6	14.8	22.4	10.7	7.9	2.7	.6	.2	.1	[2]
Nevada	20		5.0		15.0	15.0		55.0			5.0	5.0
New Mexico	4,870	15.2	17.5	10.0	22.7	14.7	13.4	4.9	1.3	.1	.2	[2]
North Carolina	66,742	61.6	23.3	6.6	5.6	1.8	.9	.2	[2]	[2]	[2]	[2]
Oklahoma	34,198	18.0	22.1	13.3	24.4	12.7	7.5	1.7	.2	.1	[2]	
South Carolina	59,332	44.3	26.5	10.6	11.0	4.1	2.6	.7	.2	[2]	[2]	
Tennessee	51,332	43.0	29.2	10.7	10.0	3.4	2.0	.6	.1			
Texas	152,618	10.9	12.1	9.4	23.6	16.4	17.4	7.6	1.9	.4	.2	.1
Virginia	4,712	79.6	14.7	3.2	1.9	.5	.1	[2]				
United States	708,393	31.2	24.5	10.9	15.4	7.6	6.5	2.8	.8	.2	.1	[2]

[1] Original allotments refer to those established for all farms prior to release and reapportionment programs. [2] Less than 0.05 percent.

Mr. YARBOROUGH. This cotton section of the bill means a great deal to the people of Texas, which is the leading cotton producing State. The Cotton Research Committee of Texas estimates that more than 1 million Texans derive all or part of their incomes from growing, processing, manufacturing, or selling cotton, cottonseed, and their products. Some 152,618 of the 708,393 original allotment farms in the country are in Texas. Texas produces $566 million out of a national total of $2,258 million worth of cotton lint, and $76 million out of a national total of $274 million worth of cottonseed. Clearly cotton is a commodity of immense importance to Texas.

Mr. President, the cotton industry is in great danger. I fear that unless meaningful corrective action is taken, we will be witnessing the last days of the small American cotton farmer, who has contributed so richly to the development of the southern and southwestern regions of this country and who has played such an important role in the political and social history of this country.

After much study, I have come to the conclusion that the committee bill is best designed to restore the health of the cotton industry.

The committee bill will provide a more adequate support price for the grower. At the same time it will encourage the growth of domestic use of cotton through a mill subsidy of 3 cents per pound and encourage exports through a larger export subsidy.

If we try to compete at the world market price, other cotton growing countries of the world can simply undercut us. The committee bill wisely meets this problem by instituting a bid procedure which will enable the United States to compete more favorably on the world market.

Moreover, although I acknowledge that there is some dispute on this point, the Ellender proposal offers the best opportunity to cut back our production to a point where supply more nearly equals demand. The Ellender program increases the payments for cutting back production from the present 4.35 to 7 cents in the first year. In the following 3 years the Secretary could raise the incentive payments if experience shows that this is necessary. The Secretary would have the flexibility to set payments at the level necessary to achieve the desired cutback in production.

Mr. THURMOND. Mr. President, I am pleased to be a cosponsor of the Talmadge amendment to H.R. 9811. The Talmadge amendment is vital to our national economy, and particularly to the economy of South Carolina, because of the economic importance of our domestic cotton industry, from the producer to the consumer.

The basic question posed to the Members of this body on this vote is whether our Government is going to continue the new one-price cotton concept as embodied in the Talmadge substitute and approved again in principle by the House of Representatives or whether we are going to adopt the multiple-price concept as embodied in the Eastland-Ellender amendment, which was voted by the Senate Agriculture Committee in a close vote.

In 1964, the Congress voted to change from a two-price to a one-price cotton system in order to try to save cotton from losing out in competition with synthetic fibers. This was deemed to be important by the Congress not only because cotton is an essential basic fiber, but also because of the adverse effects which a sick cotton economy could have—and indeed was having—on so many aspects of our economic life. The cotton industry in our country is a vast industry. It cuts across virtually every segment of our population. Involved are growers, farmworkers, merchants who sell supplies and equipment to farmers, banking institutions which help finance farm operations, ginners, cotton buyers, textile and apparel manufacturers and their employees—who number approximately 2 million—and the consuming public. Many communities in my State and in other States are directly dependent on cotton for their economic health. Indeed, even our Defense Establishment has found our textile industry to be second in importance only to steel in providing the vital resources and supplies necessary for the defense of our Nation.

In an effort to try to help solve some of the problems of the cotton industry, there was introduced in Congress in 1956 a two-price cotton plan to stimulate a rapidly deteriorating cotton export situation. In this same legislation there was incorporated a provision to place import quotas on cotton goods being manufactured overseas and returned to this country at a low price because of the advantage gained by the foreign manufacturers on the export subsidy and also because of the very decided wage differential favoring the foreign mills. However, when the two-price system was approved by the Congress, the import quota feature was dropped. Thus, from 1956 to 1964, foreign mills enjoyed an 8½-cent-per-pound raw material advantage over domestic mills. In other words, our Government, in order to move our surplus cotton production on the world market at a price 8½ cents lower than the domestic market was giving a one-fourth price advantage to foreign mills on cotton grown, in some cases, next door to American cotton mills.

During that 8-year period, the domestic textile industry experienced terrific hardships. Cheap imports increased from about 300 million square yards to 1.2 billion. The impact on the market structure of the industry was devastating. In spite of the great population increase, and a much higher gross national product, domestic consumption of cotton dropped—while the use of competitive products soared.

Because there is no way for American cotton to move to market except through the domestic industry, this was a tragic situation not only for the textile industry but for the entire cotton economy as well. The strength of cotton obviously can be no greater than the strength of the industry through which the product moves to market.

The subject of ever-increasing cotton textile imports was subjected to close studies by the Senate Commerce Committee's Special Textile Subcommittee. I had the privilege of serving on this subcommittee with the distinguished senior Senator from Rhode Island [Mr. PASTORE] and the distinguished senior Senator from New Hampshire [Mr. COTTON]. Each time our subcommittee issued a report, we stressed the fact that the two-price cotton system was proving to be grossly unfair to the domestic cotton textile industry and to the entire domestic cotton economy. We recommended strongly that corrective action be taken on this and other problems by the executive branch of the National Government.

Unfortunately, the most appropriate approach to this problem created by two-price cotton—the imposition of import quotas or at least an offsetting import fee—was never adopted by the executive branch.

Since no effective administrative action was taken, the Congress was asked last year to enact a cotton law which would eliminate the two-price system, making it possible for American mills to buy American cotton at the same price as it is sold for export to competing foreign mills. Thus was a great injustice balanced, and the posture of the domestic cotton industry improved.

Last year's cotton program cost more than was expected because an extra 2 million bales of cotton was produced, and we exported 1 million bales less than was estimated. This 3 million bales had to wind up in the hands of the Commodity Credit Corporation, and the excess cost actually is in the inventory. Even so, it is unrelated to the one-price feature. Actually, this exact situation could have occurred with either the one-price or two-price system in effect.

The truth of the matter is that the one-price feature is the one aspect of the law that did work well so far as domestic cotton consumption and the welfare of the domestic textile industry and its related apparel industry are concerned. Under the one-price system, mills gained a new confidence in cotton. Consumption increased by 600,000 bales. Employment rose by 27,000 jobs in the textile industry and another 58,000 in the apparel industry. This contrasts with findings by the Senate's Textile Subcommittee that textile employment dropped by 400,000 during 1947–60 while 828 mills were closed during the same period.

Since establishment last year of the one-price system, there have been three wage increases of 5 percent each. Mill profits have improved but they are still not equivalent to the level of all manufacturing. In 1964, the textile profit percentage on sales was 3.1 compared to 5.2 for the average of other industries. Much of the increased profits—in fact, more than $1 billion—has been invested in new machinery and equipment to make the textile industry more competitive. This investment represents twice the amount put in machinery in previous years.

Some farmers have expressed concern over last year's legislation because their support level was lowered in an effort to make cotton more competitive with synthetics. The support level on 1-inch Middling cotton was reduced from 32½ to 30 cents and later to 29 cents. However, those farmers agreeing to a voluntary cutback in acreage were guaranteed another 4.35 cents. Thus those feeling the price squeeze foremost were the larger farmers who preferred to produce in quantity.

Under the Talmadge amendment now pending, it is my understanding that farmers agreeing to a 35-percent reduction in their acreage will be guaranteed 35.65 cents per pound for next year. If, as expected, the market price is another cent above the guarantee level, then the price would be almost 37 cents per pound. Also understand that those farmers taking the mandatory 10 percent acreage reduction would be guaranteed 32 cents per pound plus a possible 1-cent increase in the market price. This would result in a higher price guarantee than now available or which would be available under the four-price Eastland-Ellender plan. I ask unanimous consent, Mr. President, to have inserted at this point in my remarks three charts which show the difference in farmer price benefits under the present program, the Talmadge plan, and the Eastland-Ellender plan.

Farmers in South Carolina have expressed the desire that three other items pertaining to cotton be rectified in this farm bill. I am glad that both the Talmadge and the Eastland-Ellender plans are designed to insure that there can be a release and reapportionment of unused acreage allotments across county lines, that certain limitations are applied to open-end planting, and that the Secretary of Agriculture will have no authority, as originally proposed, to permit him to buy up cotton allotments on a permanent basis.

Another important question at stake in this debate is the question of the costs of the Talmadge and Eastland-Ellender plans. After all, this is certainly an important factor to be considered. Agriculture Department estimates show that the Talmadge plan should cost $2.8 billion over the 4-year period as against $3.9 billion for the Eastland-Ellender plan. The reason for the difference in cost is that less cotton will be planted and more consumed under the Talmadge plan.

These, Mr. President, are my primary reasons for being a cosponsor to the Talmadge plan. At stake here is a basic concept of one-price versus a multiple-price plan that will prove more costly and less workable. I am convinced from the careful study I have made of all the factors involved that the interests of all segments of the cotton industry—from producer to consumer—as well as the overall public interest will be better served by adoption of the Talmadge plan, which I am confident will prevail in the forthcoming vote.

Mr. President, I ask unanimous consent that three examples dealing with a 480-pound yield be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Farm example: 10-acre allotment farm with 480-pound yield

1965	
10 acres at 480=10 bales × $145	$1,450
10×480×4.35 cents (domestic allotment payment)	208
Total	1,658
1966	
Talmadge proposals:	
10 acres at 480=10 bales × $110	1,100
10×480×14.65 cents (domestic allotment payment)	703
Total	1,803
Ellender proposals:	
10 acres at 480=10 bales × $145	1,450
10×480×7 cents (domestic allotment payment)	336
Total	1,786
H.R. 9811 as passed by House (domestic allotment for 10-acre allotment farm would be 6.5 acres):	
6.5 acres at 480=6.5 bales × $110	715
6.5×480×14.65 cents (domestic allotment payment)	457
Total	1,172

Farm example: 100-acre allotment farm with 480-pound yield and 65-acre domestic allotment making maximum diversion

1965	
65 acres at 480=65 bales × $145	$9,425
65×480×4.35 cents (domestic allotment payment)	1,357
Total	10,782
1966	
Talmadge proposals:	
65 acres at 480=65 bales × $110	7,150
65×480×14.65 cents (domestic allotment payment)	4,570
Total	11,720
Ellender proposals:	
65 acres at 480=65 bales × $145	9,425
65×480×7 cents (domestic allotment payment)	2,184
Total	11,609
H.R. 9811 as passed by House:	
65 acres at 480=65 bales × $110	7,150
65×480×14.65 cents (domestic allotment payment)	4,570
Total	11,720

Farm example: 100-acre allotment farm with 480-pound yield and 65-acre domestic allotment making minimum mandatory diversion

1965	
100 acres at 480=100 bales × $145	$14,500
1966	
Talmadge proposal (10 percent mandatory diversion):	
90 acres at 480=90 bales × $110	9,900
65×480×10.62 cents (domestic allotment payment)	3,313
Total	13,213
Ellender proposal (no mandatory diversion); No diversion is required under this proposal and the carryover and stocks of cotton held by CCC will continue to increase.	
H.R. 9811 as passed by House (15 percent mandatory):	
85 acres at 480=85 bales × $110	9,350
65×480×11.42 cents (domestic allotment payment)	3,563
Total	12,913

Mr. TALMADGE obtained the floor.

Mr. President, I yield to the distinguished Senator from Arkansas.

Mr. McCLELLAN. Mr. President, farmers and others who are far more conversant than I with the farm bill, and particularly the cotton section of it, are much confused and are having extreme difficulty in comprehending exactly what the consequences will be if either the House bill or the Senate version is finally enacted into law.

I cite as a specific example a problem which farmers in my State have had in trying to understand Senator TALMADGE's substitute. Subsection (8) of section 602 of the Senator's amendment to H.R. 9811 would "condition payments on a farm maintaining an acreage of approved conservation uses equal to the sum of, first, the acreage taken out of cotton to qualify for payments and, second, the average acreage of cropland on the farm devoted to designated soil conserving crops or practices, including summer fallow and idle land, during a base period prescribed by the Secretary." The portion about which I speak appears on page 8 in subsection (8), part 2, lines 3 through 6, and more particularly the phrase "during a base period prescribed by the Secretary." Perhaps a simple example will best point out our difficulty. I have farmers in my State who, during the base period of 1959 and 1960, had thousands of acres in timberland. Since that time, this land has been cleared and planted primarily in soybeans, which up until early this year was not considered a surplus crop. The problem now arises: Should the Secretary of Agriculture decide to set a retroactive base period, these farmers would be required to let this timberland that has been cleared and planted in soybeans lie idle. That is, any further planting on the land might be prohibited as a condition for that farmer to participate in the cotton program.

For that reason, I had intended to offer an amendment in behalf of myself and my colleague [Mr. FULBRIGHT], who is necessarily absent. We have felt this amendment would alleviate the problem to which I have just referred. Our amendment would have stricken out on page 8 of the Talmadge amendment all of the language in line 3, after subpart 2, down to the word "Secretary" on line 6, and in its place we had intended to insert this language: "not to exceed the number of acres of cropland on the farm required during the crop year 1965 to be devoted to designated soil conserving crops or practices, including summer fallow and idle land."

I discussed our proposed amendment with both the distinguished Senator from Georgia [Mr. TALMADGE] and Mr. Horace Godfrey, who is the Administrator of the Agricultural Stabilization and Conservation Service. Mr. Godfrey assures me that the amendment is unnecessary under regulation changes which the Secretary of Agriculture proposes to make. I requested a letter from the Secretary which would define and clarify this point.

In lieu of offering the amendment, I ask unanimous consent to have printed in the RECORD at this point the Secretary's letter, which I understand is intended to assure the farmers of my State that timberland which has been cleared and planted in soybeans, at least such land as was cleared up to early 1965, would not be required to lie idle.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., September 10, 1965.

Hon. JOHN L. MCCLELLAN,
U.S. Senate.

DEAR SENATOR MCCLELLAN: This is in response to your inquiry relative to the establishment of farm conserving bases. You particularly questioned the requirement that a farm conserving base be increased by the amount of any noncropland which is brought into cropland status.

As you know, our voluntary programs for feed grains and wheat have required that acreage diverted from such crops be devoted to conserving uses in addition to the average acreage of conserving uses on the farm in 1959 and 1960. This average conserving acreage is called the farm conserving base. By regulations we have required an increase in the conserving base when noncropland was brought into cropland status. The objective was to prevent additional and unneeded acreage of surplus crops.

It is my understanding you have many constituents who have brought acreage of noncropland into a cropland status and who are concerned about the conserving base requirement. I further understand that these farmers have not devoted this new cropland to the production of crops in surplus but have devoted such acreage to soybeans.

This letter is to inform you that our regulations will specify for 1966 that the farm conserving base will not reflect the acreage of noncropland brought into a cropland status since the base period (1959–60) if such new cropland was not devoted to the production of crops in surplus. This means that this new cropland which has been devoted to the production of soybeans will not be added to the conserving base and the farmer may continue to produce the acreage of soybeans as produced in prior years. Where necessary, farm conserving bases which now reflect increases based upon new cropland will be adjusted downward.

Sincerely yours,

ORVILLE L. FREEMAN.

Mr. TALMADGE. Mr. President, I yield 3 minutes to the able senior Senator from Rhode Island.

Mr. PASTORE. Mr. President, the reason I rise is to restate in affirmative language what I stated when I asked the distinguished Senator from Missouri [Mr. SYMINGTON] a question. I have a strong and conscientious conviction that it was absolutely immoral for the United States to sell a raw product to a foreign producer who, when he produces his product, competes with an American producer in the American market, when the American must pay 8½ cents a pound more for the raw material that goes into that product. That is how simple the question is.

When I was Governor of the State of Rhode Island, between 1945 and 1950, 45 percent of the gross income of my State came from the textile mills and the people who held jobs in those mills. Today that 45 percent has dropped to 15 percent. Mills are closing down in Rhode Island all around us.

Here I am on the floor of the Senate with a toothache, and Senators rise and say, "You feel fine, PASTORE, because I don't feel your pain."

Many reports have been placed in the RECORD to show how good it is with the textile industry. Yet over the past 10 years 1,000 mills have closed in the United States, and we have lost almost one-half million jobs. All this has occurred in the United States of America today when we have more people employed than ever before in the history of our country.

A short while ago I stepped out of the marble room. While in that room I observed on the front page of yesterday's newspaper in my home State an article, the title of which is, "Governors Urge One-Price Cotton."

Do not tell me that the Governors of New England do not know what they are talking about. They are the chief executives, and they know the economic plight of their own States.

Only last Sunday in the Providence Journal appeared an editorial entitled "Dropping One-Price Cotton Would Be a Senseless Step."

Mr. President, I ask unanimous consent that the editorial and the article to which I have referred be printed at this point in the RECORD.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the Providence (R.I.) Evening Bulletin, Sept. 4, 1965]

DROPPING ONE-PRICE COTTON WOULD BE A SENSELESS STEP

If anything needs knocking down in a hurry, it is this notion in the Senate Agriculture Committee that the one-price cotton system which is now law should be abandoned.

In a closed door session, secret because the committee has not completed action on cotton, it was voted 8 to 7 not to continue equalized prices for another 4 years.

That leaves the committee, unless it does something about it, with a program proposed by committee chairman, ALLEN ELLENDER, Democrat, of Louisiana, which calls for 3-cents-a-pound payment instead of full equalization to "persons other than producers" or, in other words, cotton mills.

Up to the time when the existing law was passed, cotton was sold to mills at the U.S. support price which was 6 to 8 cents higher than world market prices. Foreign competitors of the mills thus had a 6-to-8 cent

cost advantage which they put to good use in manufacturing cotton fabrics for shipment into this country at prices domestic mills simply could not meet.

It took a long time to convince Congress that this kind of competition was wrong but finally the present law was passed which provides for Government payment to mills of the difference between the U.S. support price and world prices.

Now Senator ELLENDER wants to go back to something approaching the old dual price system. He has managed to prevail, persuading a majority of the Agriculture Committee to accept his complicated proposal.

This may be a good deal for Louisiana cotton growers but it makes no sense at all, either for mills having to compete with foreign producers or for that segment of the U.S. economy depending on textiles, which is large.

The Senate Agriculture Committee went fully into the pros and cons of dual cotton prices and foreign competition when the existing law was passed. It ought to remember this, get back on the track and continue the only system that gives U.S. mills a fair shake in the competitive open market.

GOVERNORS URGE ONE-PRICE COTTON

(By John P. Hackett)

The New England Governors' Conference urged the region's U.S. Senators yesterday to work for legislation that would let American textile manufacturers buy this country's cotton at the same price charged foreign mills.

The U.S. House has passed a so-called one-price cotton bill, but the Senate Agriculture Committee last week recommended a measure that would let the raw material be sold abroad more cheaply than at home.

Gov. John H. Reed, of Maine, conference chairman, said the one-price plan is essential to the health of the remaining New England textile industry.

The Senate committee's version, he declared at a press conference at the Elms, Newport mansion used as the conference site, would be "detrimental" to an industry that still accounts for 17 percent of the area's manufacturing employment, or 190,000 jobs.

The six Governors resolved not only to transmit the resolution urging amendment to the senatorial delegation, but decided that each chief executive will get in touch with his State's Senators personally on the matter.

Governor Chafee, host at the first regional gubernatorial gathering in Rhode Island since 1956, was named to a subcommittee with Gov. Philip H. Hoff, of Vermont, to study feasibility of a nonprofit corporation to take maximum advantage of two new Federal acts.

These are the Technical Services Act and the Public Works and Economic Development Act.

Under the former, the object would be to utilize, with Federal financial assistance, the research capabilities of area industries to seek solutions of such governmental problems as waste disposal, transportation, and growing crime rates.

Mr. Chafee reported that California already has embarked on inquiries in these and other fields by components of its aerospace industries.

SUGGESTED BY MORSE

He and Mr. Hoff will be assisted by Richard B. Morse, former assistant defense secretary for research and now at the Massachusetts Institute of Technology, who is chairman of the New England Committee for Science and Technology.

Mr. Morse discussed the subject with the Governors yesterday and suggested the nonprofit corporation as the best vehicle for carrying out a regional project.

The Economic Development Act, holding out the prospect of Federal help similar to that being given the depressed Appalachia region, is one on which New England Senators split along political lines in Washington recently.

The Democrats, including Senators JOHN O. PASTORE and CLAIBORNE PELL, of Rhode Island, urged the Commerce Department to designate New England as a region eligible for such aid. The Republicans argued this was a matter to be initiated at the gubernatorial level—a position with which Mr. Chafee later expressed agreement.

PRELIMINARY STAGES

However, the politically evenly divided Governors—three Democrats and three Republicans—disavowed any partisan involvement on their parts.

Mr. Reed said the Chafee-Hoff study will pursue the project among regional officials without going to Washington for now. "It is still in the preliminary stages," he said.

In a demonstration of close liaison with the area's GOP and Democratic Congressmen and Senators, the Governors announced that they will meet with them in Boston sometime after Congress adjourns to discuss regional matters. Gov. John W. King, of New Hampshire, said the planned session is an outgrowth of a successful one held last April in Washington.

In an effort to develop State government executive talent, the Governors announced that a 2-week course will be given at the University of New Hampshire next month for four topnotch department heads from each State.

FIRST OF ITS TYPE

The first of its type in the Nation, according to Mr. Hoff, the course will be financed by the Kellogg Foundation and carried out by the Brookings Institute, a governmental research firm.

A topic that took up most of the morning session was the plan of Northeast Airlines—a major regional carrier outside of Rhode Island—to buy 115-passenger jets that more than half the 22 airports served by the company cannot handle.

The Governors, seeking improved local service from the carrier, said they received some assurance the line also has in mind purchasing smaller new planes to serve the smaller airports.

Gov. John A. Volpe, of Massachusetts, said the Governors will hear from Northeast's new management at a future conference on their plans. State aeronautics officials advised the Governors that passenger volume and airport sizes warrant smaller planes than the DC–9 for local purposes.

TWO MORE INTERVIEWED

Gov. John Dempsey, of Connecticut, obtained the support of the others for a resolution urging congressional study of means of preserving the Connecticut River Valley as part of the national beautification movement.

The Governors interviewed two more candidates for the new position of conference secretary and scheduled more interviews at their next conference September 18 at 2 p.m. at West Springfield, Mass., in conjunction with the Eastern States Exposition.

Put off until then was discussion of a proposed Federal power project on the St. John's River in northern Maine. It is supported by Maine political officeholders as a harbinger of lower power rates for the region, but private New England power firms oppose it. Mr. Chafee has come out for the project.

RESOLUTION OF SYMPATHY

The Governors passed resolutions of sympathy to Mr. Volpe on the recent death of his mother and of congratulations to Mr. Reed on his election in July as chairman of the National Governor's Conference.

A resolution of appreciation was adopted for Mr. Chafee's conduct of the conference, which closed with a clambake club dinner for the chief executives and their wives after the day-long business sessions.

The PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

Mr. PASTORE. If Senators wish to do equity and justice to America, its economy, and American jobs, they should vote for the Talmadge amendment.

A COTTON PROGRAM THAT FORGETS THE FARMER

Mr. EASTLAND. Mr. President, you have heard much about the cotton section of this omnibus farm bill. The cotton provisions developed by the Senate Committee on Agriculture and Forestry and reviewed yesterday by its distinguished chairman, Senator ELLENDER, are sound, workable, and fair. It is centered upon the problems of the cotton farmer and would bring about an orderly solution to problems confronting this Government because of the accumulation of excess cotton supplies.

In sharp contrast, an approach has been outlined by the distinguished Senator from Georgia that differs from the committee's recommendations as much as night does from day.

You have been told it would reduce the production of surpluses, cut Government costs, get the Government out of the cotton business, maintain farm income, and, in general, give each part of the cotton industry more free play in the market. This would be done at whose expense? The farmers.

It is obvious that the proposals made by Senator TALMADGE are based upon H.R. 9811 which the Senate committee used as a starting point and promptly set aside because it was designed to change the entire framework of the program. It was laid aside because it cut deeply into the future prospects of the farmer and set a program stage that others in the industry might prosper with a lush level of profits.

Mr. President, may I bring to the attention of this Senate a clear-cut description as to how the cotton section of H.R. 9811, the basic pattern of Senator TALMADGE's proposals were put together. I quote from the July 9, 1965, issue of the Wall Street Journal:

HOUSE UNIT VOTES NEW COTTON LEGISLATION, BREAKING DEADLOCK THAT STALLED FARM BILL

WASHINGTON.—The House Agriculture Committee finally broke the long deadlock on cotton legislation that has tied up the Johnson administration's farm bill.

By a vote of 20 to 13 the panel approved a new system of cotton price props and acreage controls that stresses bonus prices for growers who curtail production. Its multifold objectives are to sustain grower income, reduce surplus stocks and Federal outlays, and keep the cotton costs of domestic textile mills pegged at world market levels.

Cotton brokers and dealers also figure to benefit because the legislation promotes price speculation and encourages the placement of cotton crops on the open market rather than under Federal price shelters.

* * * * *

The measure adopted by the House unit yesterday follows guidelines laid down by northern and western members last week after cotton State panelists proved unable to get together on proposals of their own. Several cotton emissaries, notably Democrats,

HAGEN of California, JONES of Missouri, and POAGE and PURCELL, of Texas, ultimately joined with the northerners after gaining committee approval of concessions sought by back-home growers. The "no" votes were cast by six Deep South Democrats and seven Republican foes of nearly all Federal farm programs.

The House bill would slash the Government's cotton price support, currently 29 cents a pound, to 21 cents for the 1966 crop. In the 3 succeeding years, the price drop would be 90 percent of the world market price, now between 23 and 24 cents a pound.

A domestic price skid that big, taken by itself, would probably put most U.S. cotton growers in the red. Thus, the effect of the bill is to make them dependent on supplementary Federal payments which are provided only for those growers who agree to cut acreage by at least 15 percent. The aim is to trim a new cotton production below demand, in order to promote the selloff of cotton surpluses mounting in Government warehouses.

* * * * *

As a lure to influential California growers, the bill would lift all acreage restrictions for producers willing to operate without any Federal price supports or bonus payments. Only a handful of growers who specialize in premium quality cotton that sells for well above the world market average would be likely to take advantage of this, but their voice is important in California cotton circles.

The legislation would assure cotton textile mills of low-cost raw material. A Federal subsidy that started with the 1964 crop is designed to keep mill costs down to the world market level paid by foreign competitors, but the subsidy arrangement has cost the Government far more than expected. In effect, the House committee's bill would channel the subsidy to growers instead of mills. Economy features would cut Federal costs to a projected $650 million yearly from around $900 million in the fiscal year just ended on June 30. (Even this reduction isn't enough to suit Federal budget planners who hope to impose a $600 million annual ceiling on cotton program costs.)

Mr. President, the amendment would restore the basic provisions of the House bill which I have outlined was not written by farmers, but by those who live off of farmers.

On yesterday I documented the textile mill use of the reduction in raw cotton prices which they had promised to pass on to consumers. I pointed out that their earnings per share had doubled and more in many instances—that the earnings before taxes of the industry as a whole had doubled in the past year. They did not reduce the costs of textiles at the mill door. In fact, they raised them.

Mr. President, this certainly is not a consumer's bill, though it would further reduce the raw cotton prices to the mills. The consuming taxpayer would not benefit from a continued history of the past year.

It is not a cotton producer's bill because it would destroy the national minimum allotment on which he has capitalized his land, equipment, gins, and other services necessary for the production and handling of cotton. The arbitrary 10-percent reduction in allotments in order to be eligible to participate in the price support and payment program is a high price to pay for the privilege of being a cotton farmer. The author of the amendment, I believe, recognized the bad features of the House bill and has endeavored to mitigate their effect in the drafting of his amendment. He reduced the 15-percent mandatory reduction to 10 percent. Though this reduction provides some little relief, it maintains the onerous approach developed in the House committee. The author of the amendment closed half of the door in open end plantings because I believe he recognized that this is unfair legislation even to the producers in the South and East. The author of the amendment struck the lease and sale of allotments provisions that were in the House bill that were included there to obtain votes to report the bill to the floor.

Mr. President, in spite of the whittling done by the author of the amendment on the House title on cotton, we still have a monstrosity for the farmer that would destroy forever his ability to produce for exports and confine him for the future to producing for domestic consumption. It is a bill designed to facilitate the operations of cotton merchants and broaden their profit potential, a bill designed to insure hedging in the exchanges and multiply many times their current volume of business, and a bill to further widen textile mill profits on cotton operations. I assure you again that the bill is not designed for the benefit of the cotton producer, ginner, warehouseman, nor consumer. This is the group who through reduced production and reduced volume will make the initial heavy payment of the costs of this program on their income potential.

Those who vote for the cotton substitute offered by Senator TALMADGE are voting to reduce the price of cotton in the country markets on the streets of Lubbock, Harlingen, El Paso, Pine Bluff, Memphis, Greenville, Charlotte, Macon, and Statesboro—from Virginia through Arizona—by 8 cents per pound in 1966 and 2 to 4 cents more reduction from 1967 through 1969. You are being asked to vote the price of cotton down to 15 cents and less in much of Texas and Oklahoma.

The Talmadge proposals will reduce the market value of cotton and cottonseed by more than a billion dollars per year. Is that justice to the cotton farmer? Will it get the Government out of cotton?

It is a bad amendment and I hope it will be defeated.

Mr. TALMADGE. Mr. President, I yield myself as much time as I may have remaining.

The PRESIDING OFFICER (Mr. HARRIS in the chair). The Senator from Georgia is recognized for 10 minutes.

Mr. TALMADGE. Mr. President, 40 years ago the United States of America produced 16,105,000 bales of cotton.

What is the picture today? Last year we produced 15,180,000 bales of cotton. In other words, our total production of cotton has declined by almost 1 million bales during the last 40 years.

But what has happened to the production of foreign countries during this same period? Forty years ago the combined total of all foreign cotton-producing countries produced only 12,135,000 bales of cotton, or some 4 million bales less than the United States.

However, in 1964, production outside the United States came to 36,425,000 bales, an increase of over 24 million bales. This means, while U.S. production has suffered an overall decrease in total baleage during this 40-year period, foreign production has enjoyed a 300-percent increase in production for the same period.

Does this represent progress? Is this the kind of farm bill that is designed to help the farmers? Are we to continue to "plow under" our farmers? Are we to continue to hold a price umbrella over the foreign producers and say, "Yes, you may profit, because we are not going to allow our American farmers to plant cotton. We shall continue to restrict their acreage year after year in continuation of this same old policy of 'plow the farmers under'."

The majority of the Senate committee would say, "Yes, that medicine is bad, just as you have demonstrated TALMADGE, but that is what we want. Let us continue to plow them under. Let us continue to expand cotton production in the rest of the world."

I cannot, and do not, subscribe to that theory. Due to that type of approach, the synthetic industry has dramatically expanded not only in the United States of America, but throughout the entire world.

The substitution of synthetics for cotton fibers is increasing rapidly, and many cotton mills now use a far greater quantity of synthetics than they do cotton.

While we have been plowing our farmers under, while we have been restricting our acreage, while we have been encouraging the rest of the world to produce, what has happened? We have accumulated 15,700,000 bales of unusable and unsalable cotton in our warehouses.

Who gets the benefit from warehouse storage? Not a living human being on earth, except the men who own and operate warehouses. In this sense, I speak also of the Government commodity warehouses. At present we have over 11 million bales of cotton in CCC, for which there is storage, depreciation, and handling costs. What does it cost to keep cotton in CCC? According to the Department of Agriculture, $25.15 a bale for each bale stored. Bear in mind, these costs are borne by the taxpayers of our country. Furthermore it is extremely harmful to the farmers to have such an enormous surplus threatening the existence of their program, and for the Government to be unable to move stocks into the normal channels of trade.

While our exports have persistently declined over the past several years, our surpluses have steadily mounted.

Is this the type of program we are going to choose for our farmers? It shall never by my choice. I want my farmers to plant. I want them to produce. I want them to receive a fair payment in return for what they produce. But this is a far cry from the type of program we have had in the

United States of late, characterized by the pawnbroker feature under which we have operated for so long.

I say that when it become evident that the patient will not respond to a certain medicine and is so sick he is about to die, then it is time to prescribe a new remedy and seek a cure. I say that the time has come and we have found a cure. It is to make our cotton competitive both at home and abroad with synthetics and foreign textile products. Once we have enabled our cotton to compete in these markets, then our stocks can be depleted to a reasonable level, and our markets greatly expanded.

What will happen to farm income? I certainly do not propose to restrict it one dollar. On the contrary, the amendment which is pending before the Senate would increase farmer income. If he produces, the small farmer—the 10-acre man whom the chairman spoke of—would receive a greater income under my amendment than he would under the committee proposal. He would be guaranteed 35.65 cents for every pound of cotton produced on every square foot of his entire acreage allotment. The larger farmers who produce for domestic consumption would receive far better prices than they do at the present time, or would under the chairman's program. They would receive payments for diverting acres in order to reduce surpluses to a level at which we could again produce cotton more freely and get the cotton business back into the hands of private trade.

Mr. President, it is very easy to demagog a textile mill. It is particularly easy to demagog a textile mill when one does not have a mill in his home State. But in my States there are textile mill employees who are walking the streets unemployed looking for jobs. I have had many thousands of them in my State over the past several years.

There have been many thousands of these unfortunates throughout the United States for too long a time. I think it is time we enact a farm program that is fair, not only to our farmers, but to everyone who is affected by the misfortunes of the cotton industry. That includes the ginner, the crusher, the warehouseman, the man who buys raw cotton, the man who spins it, the man who works on the loom, and finally the man who exports a finished product and the man who sells it. That is the kind of cotton program I urge the U.S. Senate to agree to.

What about cost comparisons of my amendment with the committee plan? The Department of Agriculture has estimated that the pending amendment would cost, during the next 4 years, $762 million less than the amount contained in the bill as reported by the committee. That statement was inserted in the RECORD yesterday.

What about present surpluses? At the present time we have a carryover of something in excess of 15 million bales. The estimates of the Department of Agriculture show that if the committee bill is agreed to by the Senate, we shall have at the expiration of the program a carryover of 12,550,000 bales of cotton, equal to a 2-year supply. In other words, cotton will be just as critical 4 years from now as it is presently.

What about the Talmadge proposal pending at the desk? The Department of Agriculture has said that we shall have a carryover at the termination of this proposal of 8.7 million bales, or approximately a normal carryover.

Mr. President, that is the issue before the Senate. The future of cotton is at the crossroads. The producer is being driven out of business. It is becoming increasingly difficult for domestic cotton to compete with foreign production and synthetics. The costs are burdensome to the taxpayers of our country, and it is time that the U.S. Senate faced up to the desperate plight of cotton. We made a mistake in placing the farmer in the hands of a Government manipulated and dominated farm program. We must free him and compensate for the difference between prices received and parity with direct payments just as we have done successfully with wool, sugar, feed grains, and wheat.

Why should we do any less for our cotton farmers?

Mr. KENNEDY of New York. Mr. President, I shall vote today for the Talmadge amendment to the omnibus farm bill. The amendment offered by the Senator from Georgia essentially restores the one-price cotton system which was contained in the bill as it was passed by the House.

The one-price cotton proposal, which is what the administration has proposed, offers some hope for bringing cotton back into the free market system. It can have significant effects in lowering cotton surpluses and in putting cotton on the world market on a realistic basis.

Without a per pound loss to producers, the Talmadge substitute will help the American consumer by stabilizing the price of cotton contained in the garments and other textile products which he purchases. The one-price system is simpler than the proposal which the Senate committee adopted, and will allow cotton to move freely and competitively through the normal channels of trade, the income loss to farmers being made up through direct payments.

To me, this is the most hopeful avenue for bringing the United States back into a balanced position in the world cotton market. By contrast, the proposal which the Senate committee has adopted could have serious adverse effects in the world market. The dumping of cotton which it contemplates could have most unfortunate repercussions on the world price.

I hope, therefore, that the Senate will accept the amendment offered by the Senator from Georgia. It has the support of many cotton producers, of the textile industry, and of cotton shippers and merchants.

The VICE PRESIDENT. All time has expired. The hour of 12 o'clock having arrived, the question is on agreeing to the amendment of the Senator from Georgia [Mr. TALMADGE]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MILLER (when his name was called). On this vote I have a pair with the Senator from Nebraska [Mr. HRUSKA]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. SMATHERS (when his name was called). On this vote I have a pair with the Senator from Minnesota [Mr. MCCARTHY]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the Senator from Connecticut [Mr. RIBICOFF]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. HARTKE (when his name was called). On this vote I have a pair with the Senator from Arkansas [Mr. FULBRIGHT]. If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. BAYH (when his name was called). On this vote I have a live pair with the Senator from Utah [Mr. Moss]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. LONG of Louisiana. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. BARTLETT], the Senator from Idaho [Mr. CHURCH], and the Senator from Michigan [Mr. HART] are absent on official business.

I also announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Utah [Mr. Moss], and the Senator from Connecticut [Mr. RIBICOFF] are necessarily absent.

I further announce that, if present and voting, the Senator from Michigan [Mr. HART], and the Senator from Idaho [Mr. CHURCH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. HRUSKA] is absent on official business and his pair has been previously announced.

The result was announced—yeas 62, nays 24, as follows:

[No. 252 Leg.]

YEAS—62

Aiken	Inouye	Pastore
Allott	Jackson	Pearson
Bible	Javits	Pell
Boggs	Jordan, N.C.	Prouty
Byrd, Va.	Jordan, Idaho	Proxmire
Byrd, W. Va.	Kennedy, Mass.	Randolph
Cannon	Kennedy, N.Y.	Robertson
Case	Kuchel	Russell, Ga.
Clark	Magnuson	Russell, S.C.
Cotton	McGee	Saltonstall
Curtis	McIntyre	Scott
Dirksen	McNamara	Simpson
Dodd	Metcalf	Smith
Dominick	Mondale	Sparkman
Douglas	Monroney	Talmadge
Ervin	Morse	Thurmond
Fannin	Morton	Tower
Fong	Murphy	Tydings
Gruening	Muskie	Williams, N.J.
Harris	Nelson	Young, Ohio
Hill	Neuberger	

NAYS—24

Bass	Burdick	Eastland
Bennett	Carlson	Ellender
Brewster	Cooper	Gore

Hayden	Long, La.	Stennis
Hickenlooper	McClellan	Symington
Holland	McGovern	Williams, Del.
Lausche	Montoya	Yarborough
Long, Mo.	Mundt	Young, N. Dak.

NOT VOTING—14

Anderson	Hart	Miller
Bartlett	Hartke	Moss
Bayh	Hruska	Ribicoff
Church	Mansfield	Smathers
Fulbright	McCarthy	

So Mr. TALMADGE'S amendment was agreed to.

Mr. TALMADGE. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. PASTORE. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. HOLLAND. Mr. President, during the markup of the bill, the committee adopted as a committee amendment an amendment which I proposed, which is section 706 of the bill beginning on page 109, line 24 and ending with line 8 on page 110.

Mr. President, it develops that this amendment as proposed by me is so worded as to cover greater territory than I believe to be the principal point for discussion during this debate. Therefore, I ask leave to propose, for myself, my distinguished colleague [Mr. SMATHERS] and the distinguished Senator from California [Mr. MURPHY] a substitute amendment which I send to the desk. This amendment, in effect, would do nothing but strike from the wording of that part of the bill the words which relate to all other activities affecting agricultural commodities except labor.

Mr. President, I have been advised that at a later time certain Senators will propose to strike this amendment from the bill, and debate should well be postponed until that time. I have cleared this matter with some of them, and I understand that the question has been rather well cleared.

If there is objection to this substitute, we will gladly withdraw it, but it will mean two debates instead of one.

Mr. ROBERTSON. Mr. President, will the Senator from Florida yield for a question?

Mr. HOLLAND. I yield.

Mr. ROBERTSON. The Senator's original amendment provided that when the question arose concerning the need for foreign workers to pick the crops and fruits, the Secretary of Agriculture should make the recommendation instead of the Secretary of Labor. Has the Senator abandoned that?

Mr. HOLLAND. Let me say to the Senator from Virginia that not only have I not abandoned it, but I have concentrated on it by eliminating some of the wording which applied to certain fields of agricultural operations. I find that Senators who propcsed to direct their objections to my amendment are interested only in that particular part of the amendment which I have retained.

Mr. ROBERTSON. I should like to be associated with the distinguished Senator from Florida in this move, because today we are having some personal experience with this problem.

A large apple crop is ready to be picked. We have gone into 46 different areas to try to find the 5,000 workers we need. We have found only 1,000 workers. We have not found a single one more who is willing to pick apples on a bushel basis, under which they could make from $20 to $25 a day. Why? First, because they have no skills. Second, because they do not wish to work very hard, even though they would be taking the guaranteed wage of $1.65 an hour, which is quite high for farm labor.

We asked for 1,500 workers from the Bahamas, and we have not heard from them yet. I understand from the Senator from California that he was told those workers could be brought in. California has lost in strawberries, asparagus, prunes, and lemons, and now it faces a teriffic loss in the current crop of tomatoes.

When we were considering the supplemental request for $1,900,000 to expand the program in the current year, for recruiting more farm labor domestically, I asked for a report of what had been done with the original appropriation and the Department could not furnish it. They did not know where they sent anyone, or how long a worker stayed. Out of the number who say they will report for work perhaps not more than 10 percent will report, and those who do get there do not stay.

In Virginia, we are offering free transportation, and free sleeping quarters, much better than our troops in the jungles of southeast Asia are provided.

They would receive 15 cents a bushel plus a bonus of 2 cents. If the workers remain for the crop, they can make $25 a day for an 8-hour day. They will not report for work.

Under those circumstances I do not believe that we should continue to ask the Department of Labor to supervise this matter when its judgment has proved to be so erroneous all through this season.

Mr. HOLLAND. Mr. President, I could not agree with the Senator more thoroughly.

The proposed amendment concentrates the amendment which I requested of the committee, and which was agreed to by the committee, to the extent that it refers only to the problem which the Senator is so ably discussing.

I shall be fighting as hard as he will be to give to the Secretary of Agriculture, the right, the authority, and the duty to fix the number of workers needed and the timeliness of their work, in such a way that if the Secretary were to make a mistake, growers could have access to the courts to correct the mistake. They cannot have such access to the courts under the present law by an appeal from the findings of the Secretary of Labor.

Mr. ROBERTSON. Mr. President, I thank the Senator. I hope that his amendment, as revised, will be agreed to. It has my wholehearted support.

The VICE PRESIDENT. Is there objection to the request of the Senator?

Mr. HOLLAND. Mr. President, I yield to my distinguished friend, the Senator from Tennessee.

Mr. BASS. Mr. President, I have an amendment which has been placed on the desks of all Senators. My amendment would strike the amendment of the Senator from Florida. However, I do not plan to offer my amendment today.

I understand that the Senator from Florida desires that I offer the amendment on Monday. I shall withhold the offering of my amendment to strike the amendment in the committee bill.

I have no objection to the revision offered by the Senator from Florida. However, I want it understood that, even with the revision, I do not support this section of the bill, but shall offer an amendment when we meet on Monday, to strike the entire section as amended.

Mr. HOLLAND. Mr. President, that statement is in accord with my previous understanding with the distinguished Senator from Tennessee.

I understood that he had conferred with various colleagues who had the same interest that he has, and that this course of action is agreeable to them.

Mr. BASS. The Senator is correct.

Mr. HOLLAND. Mr. President, I ask that the amendment be stated and agreed to.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed by Mr. HOLLAND, as follows:

Beginning on page 109 with line 24, strike out all through line 8 on page 110 and insert the following:

"SEC. 706. Notwithstanding any other provision of law, whenever the application of any law of the United States requires determinations to be made of the amounts of labor needed for the production and harvesting of any agricultural crop, or of the availability thereof for such production and harvesting, such determinations shall be made by the Secretary of Agriculture and shall be accepted by all agencies of the United States in the carrying out of activities in which such determinations are needed."

Mr. HOLLAND. Mr. President, if the amendment is agreed to, I shall then ask that the amendment be considered as a part of the original bill so that no point of order can be made. I want everyone to understand the situation exactly as the Senator from Tennessee and I understand it.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Florida.

The amendment was agreed to.

The VICE PRESIDENT. Is there objection to the adoption of the amendment as original text to the bill?

The Chair hears none, and without objection and by action of the Senate the amendment of the Senator from Florida is considered as original text to the bill, subject to further amendment and action by the Senate.

Mr. HOLLAND. Mr. President, as I understand, the way in which the distinguished Presiding Officer has put the matter makes it unnecessary for me to ask that the amendment be regarded as part of the original bill.

The VICE PRESIDENT. The Senator is correct.

Mr. BASS. Mr. President, without trying to address myself to the issues involved in the amendment which I shall

offer on Monday, I want it to be clearly understood that I believe now that the amendment that has been offered and revised by the distinguished Senator from Florida will pinpoint the issue that has to be discussed, as to who shall make the determination regarding the needs, qualifications, and treatment of migrant workers, the so-called braceros, who are brought into this country year after year as imported labor.

For several years during my experience in Congress, I supported this program. However, I feel that we must settle the question of how the determination shall be made, when it shall be made, and all the other factors involved.

The main objection that I have to the amendment is that I consider this to be strictly an extraneous matter. It should not be connected with a general farm bill of the nature that we are considering today.

I believe that hearings should be held, a broad study should be made of the subject, and some determination should be made. The matter should not be handled by means of a single amendment to a major farm bill.

Mr. HOLLAND. Mr. President, I yield to the Senator from Missouri.

EQUAL RIGHTS FOR AGRICULTURE SALES FOR GOLD

Mr. SYMINGTON. Mr. President, the distinguished senior Senator from Connecticut made a talk yesterday opposing the amendment in the currently considered agriculture bill. All this amendment does is request that the sale of agricultural products to countries behind the Iron Curtain should not be prohibited or penalized more than manufactured products.

The Senator discusses and then disagrees with several arguments used in favor of selling agricultural products; but he omits any discussion of what, to my mind, is by far the most important argument for such sales; namely, the fact that all the other countries of the free world, countries we continue to defend and finance, including our two chief enemies in World War II, through such sales are now building up heavily their own gold stocks at the expense of the United States; and this to the point where, unless this continuing loss of gold to them can be reversed, the future value of the dollar will be heavily impaired.

In itself this would be a disaster, because one of our basic concepts in this, the American way of life, is to first work hard over a long period; and then, through such policies as social security, retirement plans, pensions, life insurance, and so forth, retire on a fixed amount of money.

If through the continuing sale of agricultural products by our friends and allies to countries behind the Curtain, this gold flow to other countries in turn continues at our expense, the value of the dollar will be affected to the point where the annual return to tens of millions of Americans that is considered essential for satisfactory retirement will be totally inadequate because of heavy loss in the purchasing power of the dollar.

The distinguished junior Senator from Minnesota answered most effectively points raised by the Senator from Connecticut, ably pointing out for example the vast differences between the sale of scrap iron and the sale of wheat.

The Senator from Minnesota also presented what we know, namely, that both the late President John F. Kennedy and President Lyndon Johnson have urged trade of this type and character, as they and the rest of the world watch such developments as "proliferation" and the unprecedented telescoping of time and space in this nuclear age.

Last year, with several other Senators, I listened to the head of West Germany industry, Dr. Fritz Berg, state that ever since the end of World War II, the West German Government had done everything in its power to sell all products possible behind the Iron Curtain; and to buy all possible from those same countries. He pointed out with pride that as a result, West Germany now bought more, and sold more, behind the Iron Curtain than any other nation in the world.

In open Senate hearings both the Secretary of the Treasury and the Secretary of Commerce testified that to the best of their knowledge the United States was the only highly developed industrial country in the world which was not doing its best to sell as much as it could to countries behind the Curtain.

As the Senate knows, except for a general war, I believe there is no more serious problem facing this Nation and the world than our continuing unfavorable balance of payments, including a steady loss of gold for over 16 years.

Today the United States possesses less than 25 percent of that free gold necessary to pay off the current liabilities it has incurred with foreign countries, primarily the foreign central banks. If these countries called for payment in gold, we would either have to pay, or go off the gold standard.

To those who say this is beyond the realm of possibility, let me remind them that not one person in a million would have predicted in 1929 that Britain would be forced to go off the gold standard in 1931, and that action, more than any other, wrecked the world's economy.

Let me ask this simple question: How long can the United States, first, continue to defend most of the free world; second, finance most of the free world; and third, refuse to sell behind the Curtain when at the same time all other countries of the free world do so, increasing thereby their gold supply while ours is being reduced, thus jeopardizing the future value of the dollar.

It is with deep regret that I noted references to actions of the past which have little to do with the world situation of today, a time when every country once considered far away, in effect, is now in the same county.

Regardless of who is right, many policymakers in this Government with as much experience as any Member of the Senate, place a great deal of hope for the future in possible growing friction between the two leading nations behind the Iron Curtain.

As to whether it would benefit the United States for the Soviets to become apprehensive about such statements as those made only last Saturday by Red China's Marshal Lin Piao, I do not know. This long address attacked some of the leaders of the Soviet Union almost as much as it did the United States.

In his talk the Senator from Connecticut used the word "appeasement."

I personally do not believe there could be appeasement in the promotion of such a rift.

I do not believe there was appeasement in the amendment proposed to the Senate by the Senate Agriculture Committee, or the amendment with the reference to this problem which I had the privilege of introducing in the absence of the Senator from South Dakota.

The policies expressed therein were recommended by the late President John F. Kennedy and by President Lyndon B. Johnson.

I do not believe there was any appeasement in John F. Kennedy and I do not believe there is any appeasement in Lyndon Johnson.

One of the chief reasons why I wanted to come to the Senate was to continue my efforts over a great many years to maintain a strong America in order to maintain a free America. And I would never back any amendment which worked against that policy.

No one has accused anyone in promoting the gold reserves of other countries such as France, and I am sure no one has that in mind, especially as the latter country would now appear to be almost as firm in its decision to destroy collective security in Europe today as were other European countries to destroy that collective security in the 1930's.

The sale of food and fiber for gold is a definite step toward improving the economic strength of the United States; and I would point out to those who disagree that in our way of life, the Nation's physical strength, already heavily strained, all over the world, can only come from our declining fiscal and monetary strength.

It is General de Gaulle himself, a devotedly religious man, as he continues to build the power of France, who believes that whereas ideologies come and go, national interests always remain.

I would hope, as we discuss this matter and related matters, that we give this philosophy some consideration.

Mr. MONDALE. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator from Oregon.

Mr. SYMINGTON. Mr. President, I had the floor.

Mr. LAUSCHE. Mr. President, who has the floor?

Mr. MONDALE. Mr. President——

The VICE PRESIDENT. The Senator from Missouri has the floor.

Mr. LAUSCHE. Mr. President, I thought the Senator from Alabama had the floor and yielded to the Senator from Missouri. I have been waiting. The Senator from Oregon [Mr. MORSE] has been waiting to make a speech. Now, through some circuitous route, another Senator obtains the floor.

The VICE PRESIDENT. The circuitous route is the rules of the Senate. The Senator from Missouri has the floor.

Mr. SYMINGTON. Mr. President, I would yield——

Mr. LAUSCHE. Mr. President, when did the Senator obtain the floor?

The VICE PRESIDENT. About 7 minutes ago.

Mr. SYMINGTON. Mr. President, I yield to the Senator from Minnesota——

Mr. LAUSCHE. What becomes of the——

Mr. SYMINGTON. Mr. President, I demand the regular order.

Mr. LAUSCHE. Mr. President, I call for the regular order.

Mr. SYMINGTON. Mr. President, I yield to the Senator from Minnesota.

Mr. MONDALE. Mr. President, I wish to commend——

Mr. LAUSCHE. Mr. President, regular order. I did not intend to call for the regular order, but since the Senator from Missouri did, I call for it. It is only 12:20 p.m., and the matter under discussion is not germane to the matter before the Senate.

Mr. MANSFIELD. Mr. President, if the Senator will yield, I ask unanimous consent, with the concurrence of the Senate, that the Senator may proceed briefly.

Mr. SYMINGTON. Mr. President, I appreciate the courtesy of the majority leader, but the sale of wheat, food, and fiber of the Nation is pertinent to the discussion of the matter now before the Senate. Therefore, the Senator from Ohio is out of order, and I proceed in order.

Mr. LAUSCHE. The Senator from Missouri is out of order.

Mr. SYMINGTON. Mr. President, that is incorrect. I now yield to the Senator from Minnesota.

Mr. LAUSCHE. Mr. President, I withdraw my objection.

Mr. SYMINGTON. I thank the Senator.

Mr. MONDALE. Mr. President, I commend the distinguished Senator from Missouri for his excellent presentation of the balance-of-payments problem as it relates to American sales of wheat to Russia and other Iron Curtain countries.

In 1963, the late President Kennedy announced his view that such trade was in the national interest. As a part of the procedure toward seeing that there might be more commercial sales, he directed the Secretary of Commerce to study the subject. The Secretary proposed a requirement that 50 percent of the bottoms used to carry commercial cash sales be carried on U.S.-flag ships.

The result was that over the long run this increased the cost of American wheat by between 11 and 14 cents a bushel over the world price, depending on the port. The result was that the price of wheat was increased 11 to 14 cents for American wheat sales. That took place in a market where a difference of a penny can make the difference between making and not making a sale. The result has been that from the initial cash sales in 1963 the United States has virtually been cut out of the market for cash sales. It is difficult to know what our share would have been if we had been permitted to sell wheat to Russia and other Eastern European countries without this commitment, but conservative estimates indicates that it would have been between $100 and $150 million last year, and the same thing this year.

Three weeks ago Canada sold something like $450 million worth of wheat to Russia; more than was produced in the entire State of South Dakota.

The result has been that the requirement that 50 percent of such sales be carried in American ships has not resulted in selling more wheat or producing more jobs, but has bogged us down, to the extent of as much as $150 million worth of beneficial trade, in our efforts to establish a healthy equilibrium in the farm economy of this country.

There are many other disadvantages, but the particular point the Senator from Missouri so eloquently states is one of the most crucial elements of this problem. We cannot continue to run a serious balance shortage, take care of our problems at home, and continue to assume the burdens of leadership in the free world, with all that is involved.

We are saying goodbye to $150 million of Russian gold, gold that they could not use to buy arms, gold that they could not use to manufacture, or shift their subversive activities elsewhere.

We are not hurting the Communists a single bit with our policy, because they are buying their grain elsewhere. We are only hurting ourselves.

Mr. SYMINGTON. Let me say to the able Senator from Minnesota that in recent years Canada alone, the foremost country, relatively as against the other countries we have been talking about, has increased its balance of gold payments $2 billion, just by the sale of products to Iron Curtain countries.

Mr. President, I should like to yield again to the Senator from Minnesota [Mr. MONDALE], the able senior Senator from Oklahoma [Mr. MONRONEY], and the distinguished Senator from South Dakota [Mr. MCGOVERN], but first, because of a pressing engagement that I understand some other people as well as my friend from Oregon have, I wish at this point to yield to the Senator from Oregon [Mr. MORSE].

FERNANDO BELAUNDE TERRY—A GREAT DEMOCRAT

Mr. MORSE. I am particularly pleased to make the very brief comments I propose to make while the distinguished Vice President of the United States is presiding over the Senate.

The Vice President, when he was a member of the Senate Foreign Relations Committee, and the senior Senator from Oregon, in his work as chairman of the Senate Subcommittee on Latin American Affairs, came to know very well one of the great democratic statesmen of Latin America, the present President of Peru, Fernando Belaunde Terry.

President Belaunde is an architect by profession. He is not only a builder of great material edifices, but the architect of a great democratic political philosophy in his country. It is my appraisal that President Belaunde is one of the greatest democratic statesmen of all Latin America.

That does not mean that this great statesman of independent mind—as all statesmen are bound to be—agrees with every policy of the United States vis-a-vis relations between the United States and Latin America, but there is no question, in my judgment, that one of the greatest friends we have in Latin America is President Belaunde of Peru.

Recently I ran across a fine statement that President Belaunde, before he became President of Peru, made at a ceremony in the Andean village of Chincheros, up in the high mountain areas of rugged Peru. One needs only read that statement to have all the proof that is necessary to support the tribute I pay him. He is a great democratic statesman of Latin America.

I know the Vice President of the United States shares my approval of this great speech, because this is the ideal. This is the inspiration in support of democracy that we have been trying to develop in Latin America, through that great program known as the Alliance for Progress.

I point out that one needs only consider a few of the paragraphs of this masterful, beautiful, inspiring speech, to know whereof I speak when, on the Senate floor today, in the presence of the Vice President of the United States, I pay tribute to this great democrat of Latin America and great friend of the United States.

The subject of his speech was "The People Built It." That is a speech in itself, Mr. President. When the President of a Latin American country speaks of the participation of the people in developing the affairs and the policies of their country, one knows he is listening to a democrat.

I read from the speech:

THE PEOPLE BUILT IT

Every time I look from some height upon a Peruvian village, I ask the same questions, and I get the same inspiring answer.

As I look at the humble town with its colorful bell tower, I inquire of my guide, "Who built the church?" and the guide replies, "The people built it." Again I ask, "Who built the school?" and he answers, "The people built it."

And following the winding dirt road among the mountains, I ask once more, "Who made this road?" and again, resounding now in my ears like a triumphal march, I hear in these eloquent words the history of all of Peru's yesterdays, its present, and the prophesy of its future, "The people built it."

The people built the road, the church and the schools.

The people raised the terraces and dammed the torrents.

Once there was an earthquake and they recovered their debris and rebuilt their homes.

And when it was required of them they gave their sons to the army, and they suffered the nation's indifference without complaint.

They were denied their ancestral rights of freedom to choose their own leaders and goals. Rulers were imposed upon them. Their properties and income were taken from them. But they could not be deprived of their traditions.

And the people went on building roads, schools, and churches. Because fortunately, though Peru's small villages have been forgotten villages, they have not forgotten their own heritage.

Can we have any doubt as to the statesmanship of this great democratic leader, the President of Peru?

I take these few moments on the floor of the Senate today to pay my tribute to that great leader. We expect much of him. We shall receive great leadership from him.

I highly commend these characteristic gems from his inspiring speech. In him we have not only a builder of great edifices, but we have a builder of democracy. I compliment and commend him.

FOOD AND AGRICULTURAL ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

Mr. SYMINGTON. Mr. President, I yield to the able senior Senator from Oklahoma.

Mr. MONRONEY. Mr. President, I compliment the distinguished senior Senator from Missouri on his recent remarks made a short time ago, with reference to the dangerous policy advocated to the effect that we withhold trade on agricultural products, of which we have such a great surplus, and which the rest of the world particularly the countries behind the Iron Curtain would like to buy on normal credit terms. We are looking forward to the day when we can plan the great productivity that we have, and increase our gold reserves, and in doing so withhold that much in gold reserves from the Iron Curtain countries.

To force trade into channels of other nations, I believe, is idiocy. To put a penalty on the movement of agricultural commodities that does not exist on any trade or commodity is dangerous, unfair, and prejudicial to our great American agricultural interests.

I compliment the Senator on his timely speech and the forceful manner in which he had delivered it. I sincerely hope that the Congress will keep in the bill section 703, which provides that no such penalties in shipping arrangements can be made against agricultural products when they are not made against other products of the United States.

Mr. SYMINGTON. Mr. President, I am grateful for the remarks of the able and distinguished senior Senator from Oklahoma. Not only is he a ranking member of the Committee on Commerce, but also he is a student of agriculture. I am sure that his opinions and convictions on this question will have great weight with the Senate.

Mr. McGOVERN. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield to the able Senator from South Dakota.

Mr. McGOVERN. I join in commending the Senator from Missouri in pointing up so effectively the self-defeating nature of a shipping restriction that makes it impossible for us to make sales for dollars or for gold to the Soviet Union and to other countries in Eastern Europe.

There is no question that unwise restriction has this year and last year cost us at least $100 million, which could have been used to improve our balance-of-payments position. There is no question that sales of that kind would have been of great help to the agricultural economy of the United States. We know that at the present time the Canadian wheat farmers are plowing their fields from fence row to fence row. There is an agricultural boom in progress in Canada that is explained in considerable part because they have been wise enough and have had enough commonsense to recognize that at a time when there is a surplus of wheat and someone else is willing to pay gold for it, it is good business to make an exchange. We have lost the opportunity to move hundreds of millions of bushels of American wheat into markets in Eastern Europe.

Yesterday it was said on the floor of the Senate by the Senator from Connecticut [Mr. DODD] that he regarded the removal of this restriction which would permit our wheat to flow into Eastern Europe as a kind of softening of our opposition to communism. The truth is that the restriction is helping the Communist cause by undermining the United States, by undermining our agricultural economy, and by undermining our balance-of-payments position.

Mr. SYMINGTON. If the Senator will permit me to interrupt, he could not be more correct. I should think that those who are opposed to Communist advancement would recognize the importance of policies which remove gold from their country, which gold otherwise could be used to purchase strategic materials needed to pursue any possible aggression, such as planes, tanks, and ships.

Why can we not follow the lead of such nations as the British, the Australians, and the Canadians? I understand the French are now selling 1 million tons of agriculture products a month. Why can we not adopt also such a policy?

Mr. McGOVERN. Mr. President, yesterday, in his remarks, the Senator from Connecticut tried to draw a parallel between the sale of scrap iron to Japan in the 1930's and our sale of wheat to the countries of eastern Europe today. The one thing which will encourage the Soviets to purchase food instead of scrap iron is to make food available on terms that are competitive. I would think that anyone who is concerned about trying to direct Soviet purchases to peaceful purposes would wish to do everything in his power to enable them to use their gold which might otherwise go for scrap iron and the weapons of war for the purchase of food for their people. That is in our interest as well as theirs.

If the Senator from Missouri will yield further for a moment, I believe it is interesting that the Senate Committee on Agriculture and Forestry reported out a provision calling for an end to the shipping restriction by unanimous vote. Included among those who voted in favor of removing the restriction was the distinguished Senator from Mississippi [Mr. EASTLAND], who is a longtime chairman of the Senate Subcommittee on Internal Security, a person who is, I believe, recognized all over the country as one of the most militantly anti-Communist Members of the Congress.

Certainly he would not lend his name and his influence to a recommendation to remove this requirement unless he thought it were forwarding the interests of the United States and strengthening our security position.

So I believe the points made by the Senator from Missouri are well taken, and I commend him again for his excellent statement on the floor of the Senate.

Mr. SYMINGTON. I thank my able friend from South Dakota. For some years, it has been my conviction that it is wrong to continue policies which, in effect mean we turn our backs on hundreds of millions of people who at various times say they would like to stab us in the back. We should be strong, but we should be willing to reason.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to my friend, the able senior Senator from Kansas.

Mr. CARLSON. I wish to commend the Senator from Missouri for calling to the attention of the Senate the problem to which he addressed himself. He has not only well analyzed the subject, but I think from a practical standpoint, he has pointed out something that should have the consideration of the Senate. We should remove this restriction. We are the only nation on the globe that limits production by legislative action. In other words, we restrain our farmers from producing by congressional enactment, and that action has turned the wheat market of the world over to our strongest competitors—Canada, Australia, and Argentina. It seems to me that in the interest not only of our own people, but also the Nation, the Senator's proposal would do several things.

For example, as the Senator has mentioned, our action would have an effect on our balance of payments position. We refuse to sell for dollars. What we are talking about would not be credit sales. A year ago we made some dollar sales, and we would have made substantially more had it not been for the shipping restriction.

Mr. SYMINGTON. If the Senator will permit an interruption, in my opinion, the reason the German gentlemen referred to were over here before was to indicate they felt it was all right to give countries behind the Iron Curtain credit up to 7 years, but wrong to extend that credit for 15 years.

Our friends and allies of the free world, however, are now extending credit up to 15 years. But because of ideological differences, and despite the opportunities which could come to this country as a result of a real rift in the Iron Curtain, we will not even sell our products for gold.

Mr. CARLSON. The Senator has not only made a factual statement, but one about which the country should know. The country should know the situation which we are facing. I know what I am speaking about when I say that in the

recent wheat sale the Soviet Union placed a substantial quantity of gold in England to pay for the wheat they are now receiving. That was for this year's crop from Argentina and other countries. At the same time we refuse to sell it. If we would sell the wheat, we would not only make more favorable our balance-of-payments position, but we would reduce the cost to the taxpayers of our surpluses.

Second, if we permitted the sale of 200 million bushels of wheat by the farmers of our Nation, I think it would mean as much as 20 cents a bushel to the farmers of our Nation. I think we could easily sell that quantity.

Mr. SYMINGTON. I thank the able Senator from Kansas, one of the great authorities on the subject in the Congress.

Mr. YOUNG of North Dakota. I commend the Senator from Missouri for his very able presentation of this problem. Few people realize that wheat is the only commodity singled out for this special treatment. Russia and the satellite countries can get—and they are getting—all the wheat they need from Canada and other countries. Canada is increasing her wheat production. It is not a question of their not being able to obtain wheat.

The United States has a monopoly in soybeans. We are the only major surplus soybean producer in the world. Soybeans are much more useful in making ammunition than wheat, but there is no restriction on soybeans such as applies to wheat and industrial goods.

Mr. SYMINGTON. The distinguished Senator from North Dakota, who knows as much about this subject as any Member of the Senate, could not be more correct.

The farmers of Canada, a nation that spends less than one-half as much per capita for its defenses as does the United States, are farming every piece of ground they can in order to produce wheat to sell for gold.

Mr. YOUNG of North Dakota. I might point out that North Dakota farmers are going to Canada to raise wheat.

Mr. SYMINGTON. That is interesting to know. At the same time that we are getting off on this "kick" about hating people, we are not interested, even, in what is the farm income of the United States and what its impact is on the overall economy.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to the Senator from New York. I know that he has studied this proposal carefully.

Mr. JAVITS. I am only a window-box farmer who has a particular interest in this subject. On the question of the balance of payments, on which the Senator and I jousted before, I agree that it is a difficult problem and that we must deal with it. The Senator from Missouri is an accomplished businessman. I have had experience in business, too. I feel that we cannot be so all-fired scared. We do not want the situation to get out of hand; hence I am in accord with the voluntary program. Although I am much against the equalization tax, I think we have a tendency to be so much afraid of it as to want to eliminate it entirely.

Mr. SYMINGTON. The senior Senator from New York and I understand each other. He has some thoughts on balance of payments to which I have listened with great respect.

In this particular case I know he does not mean that he would object to our selling agricultural products of the United States for gold.

Mr. JAVITS. For gold. I voted for that. Not only that, but I voted to sell them on modest credit terms.

As the Senator knows, for a long time I was Chairman of the Economic Committee of the NATO Parliamentarians Conference. One of the major things we have insisted on is an equalization of policy between the United States and other countries in the alliance with respect to selling to the Eastern European Communist bloc.

I feel—and that is what this policy expresses—that if we are not in the act, we cannot have any influence on the policy.

Mr. SYMINGTON. The Senator is correct.

Mr. JAVITS. In other words, if we stand away from it, we cannot expect to have influence upon them. I feel that we have to apply the GATT trade rules in any major expansion of trade with Eastern Europe. On that ground, we should be in the program if we are to have influence. I am sure I agree with the policy the Senator stated.

Leaving aside a discussion of the balance of payments, if we recognize the problem of American merchant marine and grant a subsidy, is it not true that that is a necessary corollary of the policy the Senator recommends? We would be required to pay a subsidy to the American merchant marine, including American seamen. We would say to them, in effect, "We understand it is in the national interest to keep you viable, but this should not destroy the total economics of the United States. We would rather keep you viable and keep American ships going, but without imposing upon the other business of the United States a completely uneconomic mess, that cannot be justified except on subsidy grounds.

Mr. SYMINGTON. The senior Senator from New York has made a wise observation from the standpoint of the overall problems of the economy. There are many other ways in which conditions can be recognized with respect to the problems of those in the maritime union. I do not believe one of them should be penalizing the American farmer, making him noncompetitive in the free market with sales of agricultural products for gold.

Mr. JAVITS. Those of us who vote that way can say to the American seamen that at one and the same time, we are perfectly willing to work out the terms of keeping them viable and afloat, while not destroying the process of American farm policy.

The seaman has a right to have us tell him that, at one and the same time.

Mr. SYMINGTON. I agree with the Senator from New York, and now yield to the Senator from Maryland.

Mr. BREWSTER. I thank the distinguished Senator from Missouri for yielding to me. I commend the Senator for his brilliant analysis of an intricate and complicated problem and also, once again, express my great admiration for his outstanding talent.

Mr. SYMINGTON. The Senator from Maryland is much too kind. Especially from him, because of my respect and admiration, I appreciate what he says.

Mr. BREWSTER. With the Senator's permission, I should like to comment on this general subject.

I have at the desk amendment No. 440, which I propose to call up on Monday next. The amendment would strike section 703 from pages 108 and 109 of the bill. It seems to me that the assumptions which lie behind the thinking that caused the insertion of section 703 in the bill are twofold and erroneous.

First, the proponents of section 703 argue that the restrictions placed on commercial wheat sales represent favoritism toward the American Merchant Marine; second, that shipping restrictions are preventing large sales of wheat to the Soviet Union.

First, the requirement that 50 percent of any wheat sold to Russia be shipped in American ships means an additional freight cost of 11 cents a bushel, because of the higher wages paid American seamen. Yet at the same time that we hear the cries of favoritism because of the 11-cent freight differential, we hear no cries of favoritism about the price differential which the Government now pays.

Mr. SYMINGTON. Mr. President, will the Senator yield back at that point?

Mr. BREWSTER. I yield.

Mr. SYMINGTON. I am not a member of the Committee on Agriculture and Forestry, but respectfully refer to the committee amendment and present to the Senator the fact it provides that greater restrictions should not be applied to agricultural products than other commodities. All the farmer is asking for is reasonable equal opportunity and rights with the manufacturers of this country.

Knowing of the Senator's belief in private enterprise, may I present that we are now talking about a Government regulation with respect to helping a particular union in connection with sales that are private.

The Senator from South Dakota is a member of the Committee on Agriculture and Forestry, so he can develop the point more fully. I supported his amendment on this question.

Mr. McGOVERN. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. McGOVERN. First, I point out, to the Senator from Maryland that this restriction as it operates today is not helping the maritime industry one iota. It is not generating one additional dollar for the U.S. maritime industry. If the Senator from Maryland could show me and other Members of the Senate how this restriction is producing $100 million

in business for the U.S. maritime industry, even though it was coming out of the pockets of American wheat farmers, perhaps an argument could be made that at least someone in this country is gaining at the expense of someone else. But the restriction does not work that way, for the simple reason that, because of this restriction, neither the wheat farmer nor the maritime industry has derived one dollar of business from the sale of wheat to the countries of eastern Europe and the Soviet Union.

Thus, while I can understand the Senator's logic in arguing that some kind of subsidy may be in order for the American merchant marine, this is not the way to do it, because this restriction is killing business for the American merchant marine as well as for the farmers. Because of this restriction, there is not one bushel of wheat moving.

Mr. BREWSTER. In answer to my very distinguished and learned colleague, let me argue that the Government-supported price of wheat in this country is 50 cents a bushel higher than the world market price of wheat. Taxpayers pay this 50 cents a bushel, which is five times higher than the freight differential we are discussing.

Mr. McGOVERN. Does not the Senator realize that both in 1964 and 1965 we had a two-price system on wheat? The wheat that goes into export is marketed at world prices. We are going to be dealing with my amendment shortly—which I am sure will be accepted by the Senate, and which has been cleared on both sides of the aisle—which would perpetuate the two-price system and permit wheat to move into export at the world market prices without any subsidy at all. Thus, I believe that if the Senator is concerned about that point, once the wheat amendment we are about to consider has been adopted—assuming that it will be adopted by the Senate—it has already been approved on the House side—the subsidy he is worrying about on the export side will disappear, and I hope that it will lead to a withdrawal of his objection.

Mr. BREWSTER. On that very point, in 1964, the wheat export subsidy totaled $97 million. It seems to me that more favoritism is being shown the wheat exporter than the American merchant marine. If the Russians were forced to pay this price differential of 58 cents a bushel, they would be reluctant to make any purchases.

I invite the attention of Senators to a statement made by Secretary of State Dean Rusk last month, that the Russians have not made any approach to the United States concerning any purchases of wheat.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Maryland yield?

Mr. BREWSTER. I yield.

Mr. YOUNG of North Dakota. Did I correctly hear the Senator say that the export subsidy was 58 cents a bushel?

Mr. BREWSTER. In answer to the Senator's inquiry, I stated that the wheat export subsidy in 1964 amounted to $97 million.

Mr. YOUNG of North Dakota. This was before the present program went into effect, there is practically no export subsidy at the present time; is that not correct?

Mr. BREWSTER. The Senator is correct.

Continuing with my brief presentation. Another misconception which seems to me to be widespread is the notion that 50 percent of the American shipping requirement has impeded huge wheat transactions.

I point out that the Wall Street Journal of last August 30—2 weeks ago—reported that Russia could have purchased wheat more cheaply from the United States, even with the shipping requirements, than from Canada, yet the Soviet Union still purchased 222 million bushels of wheat from Canada in August. The Canadian price was $2.22 a bushel. The American price, including the freight cost of American ships, was $2.03.

Mr. President, to summarize, it seems obvious to me that it is not undue favoritism to require that 50 percent of the wheat sold to Russia be shipped in American ships, and that it is surely not this requirement which is holding up any sales to the Soviet Union.

This being the case, on Monday next, I shall offer an amendment, No. 440, which would strike out section 703 of the bill.

Mr. President, yesterday, each of us received a detailed letter from the president of the AFL–CIO, Mr. George Meany. Mr. Meany wrote to explain the position of organized labor on the shipment of wheat to Russia in foreign bottoms.

A recent issue of the Baltimore Sun published a summary of the contents of the Meany letter in an excellent article on the subject written by Helen Delich Bentley. Mrs. Bentley is one of the recognized experts in this country on maritime matters, and this article is particularly timely to our debate today.

For this reason, and because I believe that every American should understand this problem and have the benefit of Mr. Meany's views, I ask unanimous consent to have Mrs. Bentley's article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEANY EXPLAINS RED GRAIN STAND—AFL–CIO PRESIDENT IN BID TO SET RECORD STRAIGHT

(By Helen Delich Bentley)

WASHINGTON, September 8.—George Meany, AFL–CIO president, today warned the Senate that no ships would be loaded with American wheat for the Communist bloc countries if through "ill-considered action" the lawmakers eliminated the requirements that half of any wheat sold to those nations must move on American bottoms.

In a 10-page document sent to each U.S. Senator, Meany went over the details which led up to the 50-percent provision and then proceeded to elaborate with his own views. He said he wanted to set the record straight.

This was the first public statement by the top labor leader as well as the first detailed statement ever issued by anyone involved with the donnybrook of February 1964, when longshoremen refused to load wheat for Russia because exporting firms were vacillating from the White House pledge to American maritime labor.

WOULD BE TRAGEDY

"It would be a tragedy if that hope of providing a long-range program for the American merchant marine were shattered and the function of the Presidential Maritime Advisory Committee destroyed by ill-considered action by the Senate, under the illusion that the nullification of a constructive understanding will succeed in getting ships loaded with American wheat."

Meany also said:

1. All the discussions concerning grain sales to the Soviet Union now are "hypothetical" as far as the AFL–CIO is concerned.

2. The allegations that the AFL–CIO is blocking consummation of such a sale are false.

3. If President Johnson should decide to make sales to Russia, the AFL–CIO would cooperate if asked to do so "in attempting to work out any reasonable new arrangements which might be necessary to facilitate it."

4. In so doing, the AFL–CIO would argue that the abandonment of the legitimate interests of the American merchant marine and of the public interest in the merchant marine is neither justified nor necessary to accomplish this purpose.

5. Seamen, as well as wheat farmers and the stockholders of Cargill, Inc., and Continental Grain Co., must eat, and it is wholly unnecessary and destructive to attempt to drive a wedge between the interests of farmers and workers, as some now seek to do, to resolve this issue in a manner fair to both.

6. If the freight rate differential is, in fact, the only barrier to a transaction with Russia, and if its consummation is deemed a matter of over-riding national interest, there are various ways in which the problem can be approached which would respect the legitimate interests of all parties and would not entail the betrayal of one vital segment of our economy by another.

7. The freight differential might be absorbed into the export subsidy as some of the costs of rail shipment to U.S. ports now are.

In his concluding remarks, the AFL–CIO chief stated that these and other alternative approaches merit serious consideration and discussion.

Any effort to arbitrarily abolish or negate U.S.-flag protection without putting a better plan or procedure in its place, can lead only to the most harmful consequences, he warned.

READY TO COOPERATE

"The AFL–CIO is ready at any time to cooperate fully in any effort to find a better method of achieving the objective sought by the 50 percent American-flag requirement. We are strongly opposed to any misguided effort to resolve the issue by the arbitrary and ruthless elimination of that requirement."

Meany took the time today to present the full statement to each Senator because of the pressure being applied to the agricultural bill to have an amendment passed thereto that would eliminate the cargo preference requirement on wheat moving to Russia.

There also have been suggestions that if the amendment is not passed on that bill, it will be attached to the legislation that would eliminate section 14(b) (the so-called right-to-work clause) from the Taft-Hartley Act. Organized labor has been waging a strong fight to have 14(b) removed from the law.

In the course of the pressure by agricultural interests to have wheat sold to Russia again, forces on Capitol Hill as well as the press have been blaming the requirement that 50 percent of any such sales move on American-flag ships as the reason the Communists are not buying wheat from this

country this year, although they placed a $450 million order with Canada.

"These accounts have invariably misrepresented the position and role of the AFL–CIO and of myself in this matter," Meany stated.

Mr. BREWSTER. Mr. President, in conclusion, I argue that of course we should sell the food and fiber of the United States behind the Iron Curtain to the Soviet Union. It would certainly benefit our balance-of-payments program. All of our so-called allies across the world are making similar sales. It is utter foolishness for us not to sell something that we have in great abundance and in surplus, and which we now hoard at great cost in storage, interest, and spoilage. I also argue that the fourth arm of the U.S. defenses is our U.S. merchant marine, but that our U.S. merchant marine is now the withered arm of the U.S. security forces.

At the end of World War II—and I have made this same speech from this same desk time and again, but I repeat—we were the leading maritime nation in the world.

Today, we are far down the list.

Many small countries have more ships flying their flags than we have ships flying the flag of Uncle Sam. I resent this.

Mr. President, I also invite the attention of the Senate and the country to the fact that most nations require all of the government cargoes owned by their governments to be carried in their ships, when they have the ships.

It makes no sense to me to ship U.S.-owned cargoes in foreign ships under foreign flags, manned by foreign seamen.

As a representative of the second biggest port on the east coast, Baltimore, I believe that it is in the national interest to promote the U.S. merchant marine.

The men we now have in Vietnam, in 9 out of 10 cases, are carried there by ship. They should be carried there by our ships. The travels that many of us took in the 1940's in defense of our country, all over this globe, were made in U.S. ships.

It seems ridiculous to me that we should promote any policy which would be detrimental to the U.S. merchant marine.

Finally, I argue that this is a maritime and a merchant marine question, and that it should be settled in the Committee on Commerce. It is not appropriate to have it included in a farm bill.

Mr. AIKEN. Mr. President——

The PRESIDING OFFICER (Mr. HARRIS in the chair). The Senator from Vermont is recognized.

Mr. AIKEN. Mr. President, I believe that perhaps there is some misunderstanding concerning the situation presented by the Senator from Maryland. I commend him for looking after the important interests of his State, but I do not believe that we should let the impression get out that the merchant marine is such a great benefactor of the wheatgrowers of this country. In the first place, the wheatgrower does not have 45 percent of the cost of his farm paid for by the Government.

I am not sure, but I believe that 45 percent of the cost of our merchant ships is paid for by the Government, and has been paid for during the past 25 years, at least since I came to the Senate, but the important point is that on the exports of wheat, under Public Law 480 alone, the merchant marine will receive an estimated $201 million in 1964 and 1965, and that amount is charged to agricultural appropriations.

I do not believe we can say that the merchant marine, particularly when it hamstrings the exports of wheat to foreign countries, is any great benefactor of American agriculture. Furthermore, the $201 million does not include the transportation costs on several hundred million bushels of wheat that was not sold or shipped under Public Law 480.

The United States has been overly generous with the merchant marine of the United States. I recall during World War I, when many of the older ships were sunk by German submarines, largely between here and the Caribbean, that the insurance which the United States paid to the owners in one case was 68 times the value of the particular ship. Other insurance costs were paid accordingly. The United States has been overly generous to the American merchant marine. It has given them enough money so that they should own the establishment. Perhaps we ought to nationalize it. We did nationalize part of the industry once but it did not work so well. The merchant marine of the United States, important as it is, has probably received as large a portion of its income from the U.S. Treasury as has any other industry in this country.

It ill behooves the merchant marine to try to deprive the wheatgrowers of sales to foreign countries. Why are the manufacturers of electric motors not treated in that fashion, or the manufacturers of machinery which is shipped overseas? Why are they not given the same treatment? Why do they discriminate against the wheatgrowers? It is not because they want to wave the flag. It is because they they want the $201 million, and as much more as they can get.

Mr. McGOVERN. Mr. President, before I call up my amendment, I yield to the Senator from Colorado.

Mr. DOMINICK. Mr. President, I appreciate the courtesy of the Senator from South Dakota.

One of the articles that I wanted to have placed in the RECORD on this same subject yesterday is an article from the Denver Post. I do not have it with me at the present time. The article was written by Bill Hosakawa.

The article is based upon a proposal made by the Senator from South Dakota [Mr. McGOVERN] in connection with the fact that we will not be long in food for a very long time. We will be short in food.

We ought to be paying the money into an acceleration of the production of food. We do not have to worry long over the fact that we must get rid of the surplus wheat. That seems to be the purport of many of the comments made today. If this were to happen, I suspect, on the basis of the population increase on a worldwide basis, perhaps we would not have some of the problems which we are faced with today.

In answer to the Senator from Vermont, for whom I have vast respect, let me say that I am now serving on the Subcommittee on the Merchant Marine. I am well aware of the amount of money that we provide to the merchant marine for the promotion of the American merchant marine. It makes very little sense to me to have the U.S. taxpayers put money into that program, and then say, at the same time, that we will ship all the Government-supported surplus commodities in foreign ships.

It seems to me that if we are to try to promote the American merchant marine—which I hope we shall do, and which we have been trying to do—we should continue with some kind of consistency to try to give it the kind of cargo that it can carry. That is the purpose of the 50-percent limitation.

I have a great deal of difficulty in understanding why this is the wrong approach.

There is more than this involved. I have stated—and I made a speech on the same subject on the floor yesterday—that if we are to trade with the Communist countries—and I am talking about the governments of those countries and not the people in them—we should persuade the governments of those countries to give us some concessions before we ease off whatever shortages they have by providing them with their necessary supplies.

I can see no point in sending American boys all over the world to try to fight Communist aggression, wherever it may be, in the Dominican Republic or in South Vietnam. I can see no point in providing troops to protect Berlin against all the people who try to press in and take over Berlin and West Germany.

There is no point in doing that on a worldwide basis and then saying that we will provide the very countries which create the problem with the necessary resources so that they can continue their struggle against us. That does not make sense to me.

So far as our allies are concerned, they are selling to those countries. We know that they are selling and that they are selling for gold and making a great deal of money. I am positive that that is true. However, while they are doing that, we are taking a good many of their irons out of the fire and providing protection for them.

I believe that it is up to us to take the lead in bringing about a change of policy. That is what the Senator from Connecticut [Mr. DODD] and I were talking about yesterday on the floor. The question is important, and that it should be even more widely debated than is now the case.

I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I have listened to the statement of the Senator from Colorado. I agree with him. Before we ship wheat to other countries, we should require concessions from them. The Senator from Colorado, as an expert

in the field of banking, must know that one of the greatest concessions which they could give us at this time would be gold.

Mr. DOMINICK. Mr. President, I appreciate the comments of the Senator.

Mr. AIKEN. When they are willing to pay for wheat with gold, I would call that a very interesting concession.

I point out one other concession that the United States has made to the U.S. merchant marine, and that is that for 62 years it has been privileged to use the Panama Canal at the same rate it started to pay in 1903.

There are rumblings now that the merchant marine is very much concerned over the possibility of a new canal, which would perhaps increase the toll charges.

I believe that we have given them great concessions since 1938, when, I believe, that unfortunate Merchant Marine Act was passed. They have been virtually dependent on Government money ever since. I do not think that ought to be the case. I believe that they ought to stand on their own feet, or, should I say, the ships should sit on their own bottoms? I do not know what the proper term is.

I agree that it is desirable to have a good American merchant marine. However, in utilizing the merchant marine, there should be no discrimination against agricultural commodities, and particularly wheat.

Mr. DOMINICK. Mr. President, I have vast respect for the knowledge and experience of the Senator from Vermont. I hesitate to disagree with him at any time on these points. However, I should point out for the sake of the RECORD that I believe at no time has Russia or any other country ever given us any gold for wheat. So far as I know, they have never made any suggestion that they would. This, it seems to me, would be arguing something that we hope will happen, but has not happened.

Mr. AIKEN. Gold has been transferred to other points in exchange for dollars with which we were paid.

Mr. DOMINICK. I understand that there have been sales of Russian gold on the London gold market.

Mr. AIKEN. We do not get it first hand. But I am sure that the Senator from Colorado will agree that good silver dollars would be as good as gold.

Mr. DOMINICK. If we had them, I would be very happy. We do not have them any more.

I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. Mr. President, I could better understand the position of the Senator if he included all other farm commodities, particularly soybeans. The United States is the only surplus soybean producer in the world. We have a monopoly on the surplus of this crop. We could easily starve Russia and her satellites out of soybeans; and soybeans are much more useful in many types of munitions than is wheat. We cannot stop Russia from getting all the wheat she wants. Canada is increasing its production. She could produce all that Russia wants.

So we are not accomplishing what the Senator from Colorado is suggesting. I think there would be more merit in his suggestion if he were to include all farm commodities.

Mr. DOMINICK. There may be some benefit coming from this suggestion. Yesterday the distinguished Senator from Connecticut [Mr. DODD] at least brought forth a new type of proposal as to how we might be able to settle the problem so far as the United States, Canada, Australia, and Argentina are concerned. That was to permit a pool, with an agreed-on policy as to where the wheat is to go.

Mr. CARLSON. Mr. President, if the Senator will yield, in regard to the sale of wheat to the Soviet Union and the Eastern bloc countries, we made a sale a year ago. Every bushel was paid for in dollars 24 hours afterward. I am opposed to selling on long terms of 7 or 15 years. Canada insists on getting gold. It gets either gold or Canadian dollars. The money is sent to London to pay for the shipment. I do not see why we should not insist on cash sales for commodities.

Mr. DOMINICK. I appreciate the comments of the Senator. He and I have discussed this matter privately and publicly. It does not strike me as making sense for us to sell to potential enemies when, at the same time we are strengthening their economies, we must provide more armaments for struggles all over the world in order to contain the very nations we are strengthening by supplying commodities to them.

Mr. McGOVERN. Mr. President, I wish to make one brief reply to the statement made by the Senator from Colorado, to clarify the RECORD. Everyone ought to understand that the proposal to remove the 50-percent shipping requirement on commercial sales has nothing to do with the Cargo Preference Act, under which 50 percent of the agricultural commodities that move under Public Law 480 must move in American ships. No one here has been proposing the abolition of that part of the law. It is under that law that the great bulk of our export wheat now moves. There is no attempt to remove that requirement, under which 50 percent of the commodities must be carried in American ships.

That in itself is a great concession to the American merchant marine. They appreciate that very deeply. They do not want that historic concession to be disturbed. No one is proposing that it be disturbed. All we are saying is that we do not want to apply to commercial sales of wheat a restriction that has never been applied in the past to wheat or any other commodity, and that does not apply to anything other than this important food crop. I think it is a very modest amendment. It would not hurt the American merchant marine in any way. It would not cost one dollar's worth of business, for the simple reason that we are not doing any business as long as this restriction is in effect.

Mr. DOMINICK. I appreciate the Senator's effort to make that crystal clear. I am in disagreement with him. In 1961 we had in the Agricultural Act a sense of the Congress that no surplus commodities should be distributed or sold to Communist countries. Now in the short space of 4 years we are to have a sense-of-Congress provision which takes away at least one limitation on such sales, if it does no more than that. It seems to me that we are going as rapidly as we can into reverse so far as trade and aid are concerned while we are accelerating forward so far as helping Communist aggression all over the world is concerned.

AMENDMENT NO. 437

Mr. McGOVERN. Mr. President, I wish to call up my amendment No. 437 and ask to have it stated. Then I shall be happy to yield.

The PRESIDING OFFICER. The amendment offered by the Senator from South Dakota will be stated.

The legislative clerk proceeded to read the amendment.

Mr. McGOVERN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, and that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment offered by Mr. McGOVERN is as follows:

On page 64, line 12, after the period, add the following: "Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat he estimates will be used during such year for food products for consumption in the United States, and (2) the national allocation percentage for such year which shall be the percentage which the national marketing allocation is of the amount of the national marketing quota for wheat that would be determined for such marketing year if a national marketing quota for such year had been proclaimed less the expected production on the acreage allotments for farms which will not be in compliance with the requirements of the program. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the projected farm yield, and multiplying the resulting number of bushels by the national allocation percentage."

On page 68, strike out lines 10 through 17, and substitute the following:

"(1)(a) price support for wheat accompanied by domestic certificates shall be at 100 per centum of the parity price or as near thereto as the Secretary determines practicable, but in no event less than $2.50 per bushel, (b) price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of the parity price therefor, as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains."

On page 68, beginning with line 18, strike out down through line 21 on page 69 and substitute the following:

"(2) In establishing the levels of price support pursuant to paragraph (1) and in establishing the rates of diversion payments for diverting acreage under subsection (a) of section 339, the objective shall be to assure a

total amount of returns to producers, including any proceeds from export marketing certificates, at a level not less than $1.90 per bushel."

On page 67, beginning with line 9, strike out down through line 4 on page 68 and substitute the following:

"(f) Section 379e of such Act is amended by adding at the end thereof the following: 'Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1966 through the 1969 wheat crops to persons engaged in the processing of food products at the face value thereof less any amount by which price support for wheat accompanied by domestic marketing certificates exceeds $2 per bushel; except that if the Secretary determines that the average price of bread in the United States has increased following enactment of the Food and Agriculture Act of 1965 and prior to the beginning of such marketing year, the Secretary may increase such price to an amount not exceeding the face value of such certificates. The exception contained in the preceding sentence shall not be applicable to the marketing year for the 1966 crop.'"

On page 72, after line 25, insert the following:

"(2) Amendment (13) of section 202 is amended by striking out 'only with respect to the crop planted for harvest in the calendar year 1965' and substituting 'with respect to the crops planted for harvest in the calendar years 1965 through 1969'."

On page 65, strike out lines 12 through 23.

On page 72, beginning on line 24 after the semicolon, strike out down through line 25.

On page 63, lines 8 to 10, strike out "by striking out 'not accompanied by marketing certificates,' and substituting 'under section 107(1) of the Agricultural Act of 1949,' and (3)".

On page 75, between lines 16 and 17, insert the following:

"Section 379d(b) is amended by striking out the second sentence and substituting the following: 'The cost of the export marketing certificates per bushel to the exporter shall be that amount determined by the Secretary on a daily basis which would make United States wheat and wheat flour generally competitive in the world market, avoid disruption of world market prices, and fulfill the international obligations of the United States.'

"Section 379c(a) is amended by striking out everything in the next to the last sentence after 'United States' and substituting the following: 'The Secretary shall also provide for the issuance of export marketing certificates to eligible producers at the end of the marketing year on a pro rata basis. For such purposes, the value per bushel of export marketing certificates shall be an average of the total net proceeds from the sale of export marketing certificates during the marketing year after deducting the total amount of wheat export subsidies paid to exporters.'

"Section 379c(c) is amended by striking out 'and the face value per bushel of export certificates shall be the amount by which the level of price support for wheat accompanied by export certificates exceeds the level of price support for noncertificate wheat.'"

Mr. McGOVERN. Mr. President, I yield to the Senator from Ohio [Mr. LAUSCHE].

SECTION 14(b) OF THE TAFT-HARTLEY ACT

Mr. LAUSCHE. Mr. President, a few days ago there was sent to my home a letter from the International Typographical Union, addressed to me. I want to read the letter because I want all Ohioans to know the attitude reflected by the statements made in this communication. It reads:

SIR: Your attention is directed to a brief address, quoted below, made by President Elmer Brown, of the International Typographical Union to the delegates in attendance at the 107th convention of the ITU held in Washington, D.C., August 14–20, 1965:

"It has been called to my attention by some of the delegates who have been visiting U.S. Senators from their various States, that there seems to be a tendency on the part of some of the Senators, who are allegedly our friends, to sit on the proposed amendment to the Taft-Hartley law which would eliminate section 14(b). These alleged friends are under great pressure, undoubtedly, but we should not let them forget that we of the labor movement put them in office.

"I think at this time we should state at this convention that those Members of the U.S. Senate who were elected on the ticket with President Johnson on a platform to repeal 14(b) will either discharge their obligation or we shall mass our forces and discharge them at the next election. I think the delegates from this convention should express themselves in no uncertain terms to the Senators, who are now weakening, that we shall not only express our feelings here, but we shall express them also at our local union meetings and the entire labor movement if necessary. The ITU will take part in mobilizing delegations that will make the civil rights demonstrations look like Sunday school picnics.

"Our patience is about exhausted with being doublecrossed and the Senators ought to know that they cannot doublecross the labor movement again and get away with it.

"It should be obvious that they are trying to prevent the adoption of the bill to repeal 14(b) by their stalling tactics. It would be even more difficult for its passage at the next session of Congress. So, I would say to these U.S. Senators, on behalf of the members of the International Typographical Union, that we are not going to tolerate their dilly-dallying tactics. We expect them to discharge their obligations to the labor movement. We expect them to keep their promises or we will have to do our best to keep them out of office."

That is the end of the statement made by the president of the International Typographical Union.

Mr. President, this letter is an insult to the intelligence and the honor of the U.S. Congress.

The men who made that statement and those who approve it look upon the Members of the Senate as groveling, abject slaves to the commands of what these men tell them to do. If I had any question about my position on this matter, it was resolved when I read this statement.

Am I to lie face down on the floor, abjectly, and there bow as a slave to the commands of these men? I owe a duty to speak in accordance with the promptings of my thinking and my soul. If I do otherwise, I lie to myself, I lie to the public, and I lie to God. That I do not propose to do.

The letter implies that we are cowards. It can mean nothing else. It means they expect with the threat that they will defeat us at the next election, that we will abandon our honest judgment.

I will not do it, and I want the people of my State to know exactly the methods that are used to bring into line those Senators who may feel differently than these men feel who made this statement. I will exercise my mind and my conscience, and vote accordingly. The man who made this statement will not think for me nor speak for me nor act for me.

Mr. AIKEN. Will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. AIKEN. I appreciate the Senator's having read that letter, because I received one almost exactly like it from a prominent industrialist this morning.

Mr. LAUSCHE. It is just as bad, regardless of whom it comes from.

Mr. AIKEN. If the Senator from Ohio can find out some way to vote against both categories who write that kind of letter, I wish he would confide in me how to do it.

Mr. LAUSCHE. Mr. President, I weighed whether I should make this statement on the floor of the Senate, whether I should reveal the context of this letter.

I decided that failure to do so would be an injustice to me, an injustice to the Senate, and an injustice to the people of Ohio.

Mr. AIKEN. I think the Senator has performed a service by reading the letter.

FOOD AND AGRICULTURE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices, and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs, and promote foreign trade; to afford greater economic opportunity in rural areas, and for other purposes.

Mr. McGOVERN. Mr. President, I yield to the Senator from Maryland.

Mr. BREWSTER. I thank the Senator for yielding, and ask him a question.

Returning to section 703 of the farm bill, we all agree that the 50–50 requirement on wheat sales is not a part of the Cargo Preference Act, it is a result of a regulation promulgated by President Kennedy some years ago. All section 703 does is to state what the sense of Congress is.

Why is it necessary, in an agricultural bill, to go into maritime policy, particularly when the policy is by virtue of a Presidential directive that can be changed by the Chief Executive should he choose to change it, and not a policy that has been established by us as part of the Cargo Preference Act?

Mr. McGOVERN. In reply to the Senator's inquiry, he is quite correct that the restriction was the result of an administrative ruling by the late President Kennedy, and not of an act of Congress.

But as the Senator will recall, before President Kennedy made that judgment, he consulted rather widely with Members of the Congress, and it was to a great extent, I think, on the basis of those consultations that he decided to lay down this shipping restriction as a means of removing some of the objections to the Russian wheat sales.

It now becomes clear, after 2 years of experience under the restriction, that as a matter of fact it killed any opportunity

for additional sales. It has been a dismal failure, and has had the effect of simply canceling out the judgment that the President reached at an earlier day, a judgment that was shared by President Johnson, that it was in the national interest to make these sales.

So it seems to me that it is now perfectly proper for the Committee on Agriculture and Forestry, which has primary responsibility in the Senate for matters affecting the welfare of our agricultural producers, to express the view of our committee—and it was a unanimous view—that the shipping restriction is working great harm to the farm producers of this country.

All section 703 of the pending bill does is express the sense of the Congress that there should not be any discriminatory provision applied against agricultural commodities when it comes to shipment to the Soviet Union, but that they ought to be treated the same as industrial commodities or any other items which move in international trade.

Mr. BREWSTER. Does not my wise and learned colleague agree that the President of the United States could change the present policy without any action on the part of the Congress with reference to the issue?

Mr. McGOVERN. I certainly agree that the President has that authority.

Technically, the Secretary of Commerce administers the regulation that was placed in effect on these shipments. This might be a good place in the discussion for me to call attention to a letter which I recently received from the Secretary of Commerce, in which he advises me that he regards the regulation as harmful to farmers, as harmful to our balance of payments, and as of no benefit whatsoever to U.S. shipowners or to maritime labor.

I shall read into the RECORD Secretary Connor's words. I am sure the Senator from Maryland will be interested. Presumably the Secretary of Commerce would not speak if he did not have the authority to speak for the administration point of view.

This is what he says:

I appreciate your concern with this matter and I agree with your analysis that the present situation is highly unsatisfactory and seems to offer no advantages to anyone.

The farmers and grain dealers are not getting business they might otherwise have; the longshoremen are not getting workloading cargo they might otherwise have; the seafaring employees are not benefiting because no wheat sales are being made and, therefore, no wheat is being transported on U.S.-flag vessels; and, of course, the United States loses an opportunity to improve its balance-of-payments position.

So the administration not only has the authority to remove the restriction, but, if we can take the word of the Secretary of Commerce, at least a part of the administration has already decided that it is not in our interest to continue that restriction.

I was interested in a communication that came to Members of the Senate from Mr. George Meany, the President of the AFL–CIO, in which he says that the key maritime unions never really demanded such a requirement. It comes as something of a new interpretation to me, but Mr. Meany adds that neither did labor leaders institute any boycott of shipments, except when it appeared that the grain traders who had received an export subsidy covering excess shipping costs, attempted, on the ground that no suitable U.S. ships were available, to ship a part of the wheat which was supposed to go in U.S. bottoms in cheaper foreign vessels.

It was only at that point, according to Mr. Meany's communication, that the maritime unions threatened to boycott the loading of vessels.

This would have meant that the traders would gain the amount of the freight differential since they had sold wheat to Russia at a fixed price and had already been given the U.S. export subsidy commitment.

Mr. Meany writes:

Contrary to recent press accounts, I placed no terms or conditions of any kind upon the cooperation and support of the AFL–CIO in this matter. The dispute which caused the cessation of loading grain ships arose as a result of the successful efforts of the grain dealers to further reduce the participation of American vessels by securing waivers of the 50 percent shipping requirement through various contrivances which disqualified American vessels * * * the use of foreign vessels in this instance did not reduce the price paid by the Soviet Union for the grain. The net effect of the substitution of foreign vessels was to increase the proceeds of the sale to the dealers * * * The protest action of the maritime unions was directed entirely at these private corporations who, for reasons of their own profit, were undermining and nullifying the policy and assurances of the President of the United States.

I do not personally know all the facts in this situation, but these statements indicate that there is a possibility of settling this impasse.

At least, as far as Mr. Meany is concerned, he seems to be saying that labor leaders are willing to sit down and talk about a possible basis for removing this restriction. He went so far as to say that the restriction was never imposed at the insistence of labor leaders. If that is true, and the maritime leaders do not demand a shipping restriction but are chiefly concerned with the possibility of a windfall to the grain traders, it ought not to be difficult to insure against such windfalls in the future. The firms which handle international sales have assured me repeatedly that they do not seek any such windfall. They are not asking for any special concession.

So if the grain traders are not asking for the restriction, and if the labor leaders are now indicating that they have no real interest in maintaining it, and we have the statement of the Secretary of Commerce, Mr. Connor, that he thinks the restriction is a mistake, it seems to me that we ought to be coming pretty close to the day when we will see that restriction removed.

In view of these developments in regard to the administration's and labor's position, and the pending Foreign Relations Committee study of the propriety of shipping restrictions in relation to our treaty obligations as well as the legality of the restriction under our own laws, I now feel that another effort at settlement by the administration should be made. If these statements can be taken at face value, agreement should be possible without legislative actions by the Congress.

If these possibilities do not work out, there will still be time for the Senate to express its views on the matter.

I should like to believe that the Senator from Maryland is correct in saying that we may not have to take legislative action to bring about that result, and that it may be done by direction of the administration.

A resolution which the Senator from Missouri (Mr. SYMINGTON) submitted on my behalf last Thursday has been referred to the Committee on Foreign Relations, with the request that that committee immediately look into the question of whether or not the shipping restriction is in fact a violation of our treaties with some 30 countries. I have no doubt that when the committee pursues that subject, it will come to the conclusion that the restriction is, in fact, a violation of treaties, and that is one more very important reason why it ought to be removed.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield to the distinguished Senator from Vermont.

Mr. AIKEN. I agree with the Senator from Maryland. The question of the shipment of wheat should not be the subject of proposed legislation. By a stroke of his pen, the President could take care of the whole situation. I would like to see him do so.

On the other hand, action taken in that respect could conceivably determine the position of Congress on the repeal of section 14(b) of the Taft-Hartley law. I am sure some people would like to have it continue in order to wield a little influence in that direction. But the President could easily take care of the situation if he would.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield to the Senator from Maryland.

Mr. BREWSTER. The distinguished Senator from South Dakota has accurately quoted the statement of Mr. George Meany. I have the entire statement in my hand. So that Senators may have the benefit of the full text, I ask unanimous consent that Mr. Meany's statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY GEORGE MEANY, PRESIDENT, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS, ON THE MATTER OF WHEAT SHIPMENTS TO THE SOVIET UNION

During the past 2 weeks, a number of accounts have appeared in the press, purporting to describe the circumstances surrounding the adoption of the requirement that at least 50 percent of all wheat sold to the Soviet Union must be shipped on American vessels, where available.

These accounts have invariably misrepresented the position and role of the AFL–CIO and of myself in this matter. They seem to have relied upon speculation or biased second- or third-hand reports, for none of the

reporters or columnists under whose bylines these stories have appeared have bothered to inquire as to the facts or to check the accuracy of their statements concerning the AFL–CIO position with the AFL–CIO itself.

In view of the current effort by some Members of the Senate to cast the AFL–CIO in a "dog in the manger" role and to arbitrarily revoke the application of the flag preference principle, I believe it is important to set the record straight.

As regards the original application of this principle to Soviet wheat sales, the facts are these:

1. I made no demand or request of any kind upon President Kennedy in connection with this transaction. Prior to the consummation and announcement of the wheat sale, President Kennedy did inquire as to my views on the advisability of selling wheat to the Soviet Union. I advised him that I would favor such a step, because of (a) the humanitarian aspect of wheat as a foodstuff, and (b) the value of such a transaction in dramatizing the superior performance of the American system in meeting human needs, as against the Soviet system. Contrary to recent press accounts, I placed no terms or conditions of any kind upon the cooperation and support of the AFL–CIO in this matter.

As a matter of fact, in April of 1962, I had publicly urged that the United States give foodstuffs to the peoples of Iron Curtain countries, contending that "hunger knows no politics."

2. At a press conference in October of 1963, President Kennedy made the first public announcement of the Soviet wheat sale, at which time he stated that all of the wheat would be shipped on American vessels, if available. It is my impression that this decision was motivated in large part by the desire to realize maximum value to all segments of the American economy from the transaction.

A Labor Department representative did confer with officials of the International Longshoremen's Association at that time and received a commitment of full cooperation on this basis, despite the historic reluctance of east coast longshoremen to handle goods consigned to or originating in Communist nations.

3. Subsequently, upon the representations of the Commerce and Agriculture Departments, it was deemed not feasible to carry out the objective of using American vessels for the entire shipment. The provision governing the use of American vessels was thereupon reduced to not less than 50 percent, where available, and this provision was contained in President Kennedy's Executive order.

4. The maritime and longshore unions did not protest this reduction. The dispute which caused the cessation of loading of grain ships arose as a result of the successful efforts of the grain dealers (Continental Grain Co., and Cargill, Inc.) to further reduce the participation of American vessels by securing waivers of the 50-percent requirement through various contrivances which disqualified American vessels, which were in fact ready and able to carry the cargo, and substituting foreign-flag vessels on grounds that no U.S.-flag vessels were "available."

The use of foreign-flag vessels in this instance did not reduce the price paid by the Soviet Union for the grain. The transaction was consummated on the basis of a fixed price for the wheat delivered at Soviet ports. The net effect of the substitution of foreign-flag vessels was to increase the proceeds of the sale to the dealers.

The protest action by the maritime unions was directed entirely at these private corporations who, for reasons of their own profit, were engaged in undermining and nullifying the policy and assurances of the President of the United States. A prime example of the devices employed by these companies and their agents in engaging vessels for this trade was the disqualification of large-capacity, deep-draft ships, although these ships were the most efficient and lowest cost bulk carriers under the American flag. Subsequent investigation clearly showed that the grounds advanced for excluding such ships were spurious and that their use was entirely feasible. They were in fact used to complete the wheat shipments following the settlement of the dispute.

5. I entered this controversy only after being requested to do so by President Johnson, in February of 1964. In cooperation with Secretary of Labor Wirtz, I then interceded with the maritime and longshore unions in the effort to find a fair and reasonable basis for ending the dispute. A considerable amount of persuasion was necessary to induce these autonomous organizations, concerned with a problem vitally affecting the welfare of their own industry and membership, to abandon the course of direct action and to resume work on this cargo on a basis which, to a very large extent, left the future disposition and resolution of the grain shipment problem to the good faith and sense of justice of public officials.

The circumstances and basis of settlement were fully and favorably reported at the time and are matters of public record. The CONGRESSIONAL RECORD, volume 110, part 3, page 3529, contains a full and complete exposition of the matter by Vice President (then Senator) HUBERT HUMPHREY. The relevant excerpt of the CONGRESSIONAL RECORD is attached. It includes the remarks of Senator MCGOVERN, in an exchange with Senator HUMPHREY, which indicated his complete approval, at that time.

6. It is important to note that the understanding which led to the resumption of wheat shipments to the Soviet Union in 1964 set forth an orderly method for the continuing review of governmental policy concerning cargo preference, flag quotas and maritime policy generally, including any future changes in Government policy relating to U.S.-flag participation in the shipment of wheat to the Soviet Union. For this purpose, a Maritime Advisory Committee, composed of Government officials, representatives of maritime labor, the shipping industry, and the public at large, was established by the President. This Committee is functioning and has submitted a number of recommendtions on maritime issues which are currently under consideration by the administration.

This Committee was intended to create a channel through which the problems of maritime labor and management might be presented to the appropriate officials of government, with the public interest fully represented. It was hoped that this would provide an orderly and constructive alternative to the method of direct economic action, which the maritime unions have too often found the only effective way to attract attention and gain consideration of the very serious problems affecting the livelihoods of their members. The maritime unions and the AFL–CIO have, to date, participated cooperatively in the work of the Committee in that spirit and with that hope and intention. It would be a tragedy if that hope were shattered and the function of the Committee destroyed by ill-considered action by the Senate, under the illusion that the nullification of a constructive understanding will succeed in getting ships loaded with American wheat.

As regards charges by certain Senators that the AFL–CIO is now blocking the consummation of hypothetical grain sale to the Soviet Union, the allegations are false. Contrary to reports that have appeared in some press accounts, the AFL–CIO was not responsible for the removal of language in the administration farm bill which would have nullified a flag quota on wheat shipments. I know of no such language and do not believe that there ever was such language since it would not be necessary to accomplish the purpose if the administration saw fit to do so. The AFL–CIO was not, at any time, consulted in the drafting of the farm bill and did not see it, or any part of it, until its introduction in Congress.

If there is any current desire on the part of the Soviet Union to purchase wheat from the United States on any terms I am not aware of it. I have not discussed the prospect with President Johnson or any other officials of the administration nor have my views as to the desirability of such a transaction at this time been sought.

If my views as to the desirability of a wheat sale to the Soviet Union should be sought, they would be the same as those which I expressed to President Kennedy in 1963. If the President should decide that it is in the best interests of the United States to pursue such a course, the AFL–CIO would support that decision, and we would cooperate, if asked to do so, in attempting to work out any reasonable new arrangements which might be necessary to facilitate it.

In so doing, however, we would argue that the abandonment of the legitimate interests of the American merchant marine and of the public interest in the merchant marine is neither justified nor necessary to accomplish this objective.

Seamen, as well as wheat farmers and the stockholders of Cargill and Continental Grain Co.'s must eat, and it is wholly unnecessary and destructive to attempt to drive a wedge between the interests of farmers and workers, as some now seek to do, to resolve this issue in a manner fair to both. Seamen face the same problem in competition in a cheap world market, when standards are below American levels, as wheat farmers do. Both American ships and healthy American farms are essential to the welfare of the Nation, and neither American farmers nor American sailors should be expected to reduce themselves to Hong Kong standards.

The American labor movement has long supported every effort to bring income parity and a better way of life to those who seek a livelihood in agriculture.

The AFL–CIO has continuously supported substantial Federal outlays to raise farm income through the price-supporting loan program, stockpiling and subsidized agricultural commodity sales. In addition, we have aided passage of Federal programs to expand farm credit, help farm cooperatives, conserve the soil, accelerate rural electrification, insure crops against damage, and other measures to improve rural education, health, and housing. We have never complained of the cost, though workers, including merchant seamen, bear a full share of the tax burden.

Taxpayer-supported aid to wheatgrowers, to assure them a fair price for their product and profitable sales at home and abroad, has been substantial.

We have supported subsidies to assure wheat price maintenance through the Government loan mechanism. We have supported the various Government subsidies which seek to increase wheat consumption both at home and abroad. We have supported the taxpayer-financed direct wheat export subsidy which is necessary to bring wheat export prices down to the world market level because other subsidized programs have succeeded in keeping the domestic wheat price up.

According to the Department of Agriculture, the total costs of operating U.S. Government wheat-related support activities in fiscal 1964 exceeded $1.8 billion.

The export subsidy to commercial wheat exporters is made necessary by the gap between the lower world market wheat price

(at which American exporters must sell) and the higher supported U.S. domestic price (at which they must buy). This subsidy also includes cost factors involved in transporting the wheat to U.S. ports of exit. In fiscal 1964, the wheat export subsidy totaled $97 million.

To describe the sale of wheat to the Soviet Union, therefore, as a purely private "commercial" transaction is highly inaccurate and misleading.

I am informed that the Soviet Union paid $140,200,000 to Continental Grain and Cargill, the two exporting companies that handled the 1963–64 wheat transaction. This was the price paid for delivery at Soviet ports and included the cost of partial delivery on American ships. The direct U.S. tax-supported export subsidy on the sale was equal to 31 percent of the delivered price, or about $43 million. This does not include, of course, the pro rata indirect cost of other U.S. subsidies involved in supporting the price and sale of U.S. wheat.

This export subsidy was equal to about 66 cents on each of the 63 million bushels sold. By way of contrast the additional cost of transporting part of this wheat on American ships averaged out to less than 8 cents per bushel for the total shipment.

In face of the generous outlays by all of the American people in behalf of the welfare of wheatgrowers and exporters, continued consideration of the welfare of American maritime workers and of our national security also would seem valid under a Government-subsidized and sponsored wheat export program.

It is the view of the AFL–CIO that, if the Federal Government finds that a wheat sale to the Soviet Union is possible and desirable, the mutual problems and needs of both wheatgrowers and maritime workers can be accommodated. If the freight rate differential is, in fact, the only barrier to such a transaction, and if its consummation is deemed a matter of overriding national interest, there are various ways in which the problem can be approached which would respect the legitimate interests of all parties and would not entail the betrayal of one vital segment of our economy by another.

The freight differential might be absorbed into the export subsidy as some of the costs of rail shipment to U.S. ports now are. The administration now has before it a proposal from the Maritime Advisory Committee, supported by the unions, for a change in the maritime subsidy program which would enable bulk carriers to compete at or near world market freight rates so as to reduce or eliminate any added cost to exporters or to the farm program where American vessels are used, whether in a shipment to the Soviet Union or in the Public Law 480 program.

These and other alternative approaches merit serious consideration and discussion. Any effort to arbitrarily abolish or negate U.S.-flag protection, without putting a better plan or procedure in its place, can lead only to the most harmful consequences.

The AFL–CIO is ready at any time to cooperate fully in any effort to find a better method of achieving the objective sought by the 50-percent American-flag requirement. We are strongly opposed to any misguided effort to resolve the issue by the arbitrary and ruthless elimination of that requirement.

Mr. BREWSTER. I should like to make one closing comment, and I hope a concise one. I am in complete agreement with the position that we should sell our food and fiber anywhere to improve our balance-of-payments situation. I also vigorously support the position that we should protect the U.S. merchant marine.

I thank the Senator for yielding to me.

Mr. McGOVERN. Mr. President, I return now to the amendment to the agricultural bill which relates to the subject of wheat.

Mr. COOPER. Mr. President, is the Senator now leaving the debate on the question of the restrictions imposed by the Secretary of Commerce?

Mr. McGOVERN. Yes.

Mr. COOPER. Before the Senator does so, will he yield to me for a question?

Mr. McGOVERN. I yield.

Mr. COOPER. I supported the amendment offered by the distinguished Senator from South Dakota in the committee. Today, while listening to the Senator from Colorado, I thought that a question was brought into the debate which does not bear specifically upon the amendment. As I understand, the Secretary of Commerce licenses private trade to make commercial sales of wheat or other agricultural products to Russia or to other Communist countries.

Mr. McGOVERN. The Senator is entirely correct.

Mr. COOPER. The purpose of the Senator's amendment is to provide that in the event the Secretary of Commerce issues licenses to the private trade for commercial sales of wheat or other agricultural products, he shall not impose on those private commercial sales a condition which is not imposed on other commercial sales.

Mr. McGOVERN. That is exactly correct. As the Senator from Kentucky knows, there is no shipping restriction of any kind on the sale of many industrial commodities. All the amendment would do is to ask that agricultural commodities be treated in the same way.

Mr. COOPER. Mr. President, will the Senator yield further?

Mr. McGOVERN. I am happy to yield.

Mr. COOPER. I heard the distinguished Senator from Colorado speak a few moments ago. I also read in the RECORD the speech of the distinguished Senator from Connecticut yesterday. It seems to me that there has been raised a question of policy as to whether the United States should make sales of wheat or agricultural products to Russia or Communist countries. I believe that is a separate question. Though there is a relationship, it is a separate question.

When the question first came before the Senate in 1963, when it was first proposed to make commercial sales of wheat to Russia, I opposed that initial sale and upon the following grounds:

While I know there is no law which forbids the sale of wheat or other agricultural products to Russia or to what are termed nonfriendly countries, it has been the policy of the United States, as expressed in a number of acts, particularly acts relating to agriculture, and a policy which has been adhered to, that such sales should not be made.

The argument which I made in 1963—and I believe that I was the first one to speak on the subject on the floor of the Senate—was to the effect that because such sales involved a measurable change in policy, the question ought to be submitted to the Congress by the President as a change of policy, and considered by the Foreign Relations Committee and by other affected committees, so that there would be an expression of either approval or disapproval by the Congress as to this change of policy.

I think it is still a major question, and I believe if it represents a continuing and permanent change in our policy, it should be so stated by the President of the United States and should be debated in the Congress and before the people.

That was my position then; it is my position now. That being a question of policy, I hold with the Senator that export of agricultural products should be treated in the same way as are the commercial sales of all other products.

Mr. McGOVERN. I thank the Senator from Kentucky.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I wish to propound a unanimous-consent request, which I believe has been cleared with all interested parties.

I ask unanimous consent that beginning at the conclusion of the prayer on Monday next, that there be a time limitation of 2 hours on each amendment, 1 hour to be controlled by the proposer of the amendment, and the other hour to be controlled by the chairman of the committee, the distinguished Senator from Louisiana [Mr. ELLENDER], or whomever he may designate, and that there be 4 hours on the bill.

The PRESIDING OFFICER. Is the time on the bill to be divided?

Mr. MANSFIELD. It is to be divided equally between the majority and minority leaders or whomever they may designate.

The PRESIDING OFFICER. Is there objection?

Mr. ELLENDER. Mr. President, reserving the right to object, would the majority leader agree to make the time on the bill 6 hours?

Mr. MANSFIELD. If the Senator wishes.

Mr. ELLENDER. Not that the 6 hours would be used, but as to some amendments additional time may be necessary.

Mr. MANSFIELD. That will be satisfactory.

Mr. President, I change the request to 6 hours on the bill.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. So that the debate will not extend into Tuesday, if that can be avoided, I thought there ought to be a condition that debate on an amendment should be germane to the amendment, because if extraneous subjects were brought up, I do not know when we would be through.

Mr. MANSFIELD. That is a reasonable suggestion. The agreement should provide for the usual germaneness of amendments and we should remind all Senators that the existing rules of the Senate provide for germaneness of debate during the first 3 hours of debate.

Mr. ELLENDER. I have no objection to that.

Mr. AIKEN. Mr. President, I should like to have one thing understood. I am

thinking of the so-called dairy amendment, sponsored by Senators PROXMIRE, MAGNUSON, and FULBRIGHT. I should like to make certain that there will be enough time to clarify the meaning of their amendment and its effect, before I agree to the unanimous-consent proposal.

Mr. DIRKSEN. Mr. President, that is a reasonable suggestion. Six hours under the bill should be enough. I should be glad to yield time for that purpose, because I want to have the proposal clarified. I am receiving opposing views on this subject and would like to know where truth and equity lie.

Mr. AIKEN. The entry of the foremost advocate of oleo in the Senate [Mr. FULBRIGHT] into the matter of how to run a dairy program prompts me to feel that perhaps it may take a little longer time to get a full clarification. I do not understand how the oleo people happen to be undertaking to decide what is good for the dairymen and the butter producers. I notice the Senator from Wisconsin in the Chamber. The Senator from Washington is not in the Chamber. I hope they will be prepared to explain how it is that the oleo people are willing to be so helpful in arranging programs for the butter manufacturers.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. AIKEN. I would like to have an answer to that one question.

Mr. McNAMARA. I have no intention to object, but since Senators are making claims for time, I should like to have about 30 minutes to explain the "50–50" shipping item in the bill. The Great Lakes and the St. Lawrence Seaway are having very bad results under this arrangement.

Mr. MANSFIELD. The Senator will have the time.

Mr. JAVITS. Mr. President, I did not hear the conditions.

Mr. MANSFIELD. There would be 6 hours on the bill.

Mr. JAVITS. Something was said about germaneness.

Mr. MANSFIELD. The amendments that are offered will be germane. We will stick to a discussion of the bill and any germane amendments.

Mr. JAVITS. I do not feel free to go along with that condition. I am in agreement with the leadership, but I do not believe germaneness should be a condition. I believe the proposal as to time is satisfactory. I do not believe there should be included a condition that has never been included before.

Mr. MANSFIELD. The idea was to keep out extraneous subjects, so that we would finish action on the bill in time. The provision is for germaneness of amendments, which I might add is the usual provision in our unanimous consent agreements. The rules of the Senate require germaneness of debate for the first 3 hours of debate and our proposed request is not intended to modify that provision.

Mr. JAVITS. As to germaneness of the amendments I did not want some new condition about germaneness included in the consent agreement, as was just stated.

Mr. MANSFIELD. No.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and the request is agreed to.

Mr. MANSFIELD. This does not mean there may not be votes this afternoon, because amendments will be considered having to do with the subject of wheat, the use of American shipping on a 50–50 basis, and other matters. So I should like the Senate to be on notice.

Mr. DIRKSEN. Will the distinguished majority leader yield?

Mr. MANSFIELD. Gladly.

Mr. DIRKSEN. I suggested to the majority leader this morning that two Members of the Senate will be honored tonight by the American Political Science Association. It is a little affair that starts reasonably early. I expressed the hope there would be no rollcalls after, let us say, 5 o'clock in the afternoon.

Mr. MANSFIELD. Very likely there will be none, but we cannot give any ironclad guarantees.

Mr. ELLENDER. Some amendments may be considered as to which a record vote will not be necessary.

Mr. MANSFIELD. The Senator is correct.

Mr. ELLENDER. I hope we may have votes on as many amendments as can be considered this afternoon, especially amendments to which there is no objection.

Mr. MANSFIELD. The Senator is correct.

Mr. ELLENDER. I hope we may dispose of as much of the bill as to which there is no serious objection, as possible.

Mr. MANSFIELD. We are in agreement.

Mr. MANSFIELD subsequently said: Mr. President, complementing the unanimous-consent request which the Senate granted this afternoon, I wish to make a further stipulation to the effect that on the dairy amendment, if and when it is offered, there be a time allocation of 1 hour, the time to be divided equally between the proposer of the amendment and the senior Senator from Vermont [Mr. AIKEN], the ranking minority member of the Committee on Agriculture and Forestry.

Mr. AIKEN. I see no reason why the proponents of the dairy amendment could not explain its purpose and probable effect in half an hour, if they can do so at all. I assume that if 30 minutes does not give them enough time to think up the answers to the questions which I shall ask, we would then be able to take time on the bill itself before a vote is taken on the amendment.

I expect to ask for a yea-and-nay vote on the amendment.

Mr. MANSFIELD. The Senator may rest assured that he will have all the time he needs on the bill in discussing that amendment.

Mr. AIKEN. I believe the proponents of the amendment can state their case in one-half hour, if they can do it at all.

The PRESIDING OFFICER. Without objection, the unanimous-consent agreement is amended as stated.

The unanimous-consent agreement, as modified, and as reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Monday September 13, 1965, after the prayer, during the further consideration of the bill H.R. 9811, an act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs, to afford greater economic opportunity in rural areas, and for other purposes (except the so-called dairy amendment, if offered, on which debate shall be limited to 1 hour to be equally divided and controlled by the mover and the Senator from Vermont [Mr. AIKEN]) debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 2 hours, to be equally divided and controlled by the mover of any such amendment or motion and the Senator from Louisiana [Mr. ELLENDER]: *Provided,* That in the event the Senator from Louisiana is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final pasage of the said bill debate shall be limited to 6 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The PRESIDING OFFICER. The Senator from South Dakota has the floor.

Mr. McGOVERN. Mr. President, turning now to the wheat section of the bill, I wish to express my appreciation to the distinguished chairman of the Committee on Agriculture and Forestry and to all the other members of that committee for the careful consideration that was given to the important problems of our wheat producers.

During the years that I have been privileged to serve in Congress, I cannot recall any time when any committee went more carefully into an important subject than our committee did with reference to the problems of wheat.

The amendment that I am offering this afternoon is an important one. It changes the wheat section of the bill in certain respects, yet all the efforts with regard to this proposed amendment are designed to accomplish the objectives on which our committee agreed.

I wish to pay particular respect to the senior Senator from North Dakota [Mr. YOUNG] for the special leadership he provided in our committee on behalf of all wheat producers.

The amendment now pending has been cleared with the Senator from North Dakota. He wishes to suggest certain changes at a later time to further improve the amendment, but the basic outline of the proposal has been cleared and met with the approval of the Senator from North Dakota, with the chairman

of the committee, and with Senators on both sides of the aisle.

I would like to think of this amendment as one that is more in the nature of a perfecting proposal rather than one that changes radically the bill as it emerged from committee.

The wheat title in the proposed amendment sets forth the objective of assuring producers not less than $1.90 a bushel for their output. This was the objective the Senator from North Dakota incorporated in the bill as it left the committee. My proposal is that the Senate accept this objective.

I digress for a moment to say that there are two or three little perfecting changes. On page 3 it is proposed to strike out the words on line 6, "The objective shall be to" and substitute in lieu thereof "the Secretary shall". There are also two changes on pages 4 and 5 that do not change the substance of the bill in any way.

Mr. President, I ask unanimous consent that the perfecting changes in the amendment be accepted.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

Mr. McGOVERN. Mr. President, the modifications in the amendment now pending before the Senate are presented to strengthen the means of assuring achievement of the income goals as spelled out in the committee bill. To make sure that the income objective is reached, it might be well, in my opinion, to put into the hands of the administrator of the program—the Secretary of Agriculture—all the tools and methods that may be useful in strengthening farm income and contributing to the efficient operation of the program.

We know that our wheat producers currently receive income from the market, which is affected by the price support loan, and from the loan itself, from both domestic and export marketing certificates, and from diversion payments. There is a mix of those various tools which make up the income our wheat farmers receive. Each source of that income is important and may be important in the future. Sometimes it is difficult to project ahead as to which one is the most valuable, or the exact combination in which they should be used, but it is my view that every one of those tools should be made available to the Secretary of Agriculture to achieve the income goals spelled out by the committee in the pending bill.

Thus, my first proposal is to modify the wheat provisions of the bill so as to permit the issuance of domestic and export marketing certificates to producers.

As the bill now stands, direct payments to producers are permitted, but certificates are not. The certificate program is now rather widely accepted, I believe. It is operating well enough so that its use in the future could very well be authorized, particularly in view of the need for variable export certificates, which I shall describe next.

These variable export certificates are the subject of the second modification in the proposed amendment.

The Senate bill provides that the wheat loan rate will be set at about the world price. However, it is often difficult to determine the world price and to maintain the proper relationship between domestic and world prices without excessive export subsidies. It is also difficult to set the value of export market certificates at one level for a whole year without encountering some undesirable results.

At present, export certificates have a fixed value—30 cents. Exporters buy them at that price regardless of the U.S. market price of wheat, regardless of the export price, and regardless of the amount of the export subsidy.

If it turns out that the exporters pay the Government more for export certificates than the Government pays out in the form of export certificates issued to producers and export subsidies to exporters, then the Government is making money on the export operation and has no way to return it directly to producers.

This shortcoming could be corrected merely by providing a variable export certificate which presents no real problem in administration. Under that formula, any profit made by the Government on the export of wheat would be available to help to carry out the income objectives of this proposed legislation; namely, to provide farmers with a blend price of $1.90 on our wheat output.

The value of the certificate would be determined each day. It would be the difference between the world price and the U.S. price. Exporters would buy the certificates to cover their operations, when the U.S. price is lower than the world price and would receive refunds when the U.S. price is higher than the world price. The Government would operate a certificate pool, and any money in the pool at the end of the year would be paid to producers on a pro rata basis.

Thus, any profit made by the Government on exports of wheat would be available to help carry out the income objective of this legislation.

Under the present certificate program, exports are moving well. In the first 2 months of this marketing year, dollar sales of wheat for export were nearly four times the amount sold for export in the same period a year ago. Export subsidies after deduction of the 30-cent certificate value are currently ranging from a net of 24 cents down to a minus 4 cents, depending on the class of wheat and the port. The point is that our wheat is being priced competitively with the aid of certificates, and our wheat is moving out to world markets with relatively little subsidy from the U.S. Treasury. This strengthens our negotiating position with other countries, which of course are always critical export competition heavily backed by subsidies of the United States Treasury. We would do well to keep the present program method available to help us move wheat and to help us maintain the wheat farmer's income. Without this modification to the wheat section of the bill, all export wheat would be supported by payments out of the Treasury along with wheat for domestic use, and this type of operation leads to difficulties in our trade negotiations and other relations with friendly countries. The variable export certificates would improve our ability to compete for world markets within trading rules that are acceptable to all competing countries.

My third and final suggestion, as incorporated in the pending amendment, is to safeguard the farmer's opportunity to substitute acreages of wheat and feed grains freely in the wheat and feed grain programs. The substitution provision is very popular among farmers because it enables them to use their land for the crops to which it is best adapted and which seem to offer the best chance for profit. A wheat farmer who does not do very well with corn can plant wheat on the acres that are eligible for corn in the feed grain program. And the corngrower who has little use for wheat can plant corn on acres allotted to wheat in the wheat program.

This substitution or interchange can take place only when the wheat and feed grain programs are kept in proper relationships. The price support loan rates for wheat and feed grains must be closely related. Otherwise, the corngrower will have to grow wheat that he does not care to grow, and the wheat producer will have to produce corn or grain sorghum. We can keep the substitution opportunity open by instructing the administration, as this amendment does—in setting wheat loan rates—to take into consideration the world price of wheat and the relative feeding value of wheat. That amendment, in other words, would protect the feed value of wheat, which is important to our wheat producers and to the agricultural economy. The amendment I offer would insert language to this effect and thus make it clear that Congress wishes to maintain the legislative basis for the substitution provision.

Mr. President, with the few modifications to which I have referred, together with those which may be submitted by the Senator from North Dakota [Mr. YOUNG], we believe that the income objectives of the pending legislation can be achieved. The Secretary of Agriculture will have a full kit of tools and methods in order to adapt the program to changing conditions over the 4-year life of the act. The Nation will have the benefit of a wheat program which carries out a definite income objective, while permitting our abundant wheat supplies to go into use both at home and abroad—not into expensive, dead storage.

The proposal on wheat which I have suggested will add $400 million in income to our wheat producers for each of the next 4 years. It guarantees 100 percent of parity on domestic wheat sales.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from South Dakota yield?

The PRESIDING OFFICER (Mr. MONDALE in the chair). Does the Senator from South Dakota yield to the Senator from North Dakota?

Mr. McGOVERN. I am happy to yield.

Mr. YOUNG of North Dakota. First, I wish to thank my friend, the Senator from South Dakota, for his kind comments in reference to my work on this wheat legislation. I am happy to point out that it was the Senator from South Dakota who was the author of the present voluntary wheat certificate legislation, after the defeat of the compulsory wheat program in the producer referendum some 2 years ago.

I believe that the amendments which the Senator from South Dakota is offering are satisfactory. In some respects, they will make the program more complicated, but I understand that the Department of Agriculture feels that most, if not all, of these changes are necessary, and I am willing to accept them.

There is one point, however, that is most important, which I should like to have clarified.

I am sure that the Senator from South Dakota agrees that the most important part of the wheat section is that which provides for a guaranteed minimum price support of $1.90 a bushel.

The bill which came from the committee, and it was my amendment, reads, on page 68, line 18, as follows:

Additional price support for wheat shall be made available through payments in such amount as (i) will bring the total amount of price support made available under this section up to a level not in excess of 100 per centum of the parity price for wheat and not less than $1.90 per bushel.

The language which came from the Department of Agriculture, and which language I believe the Department is pressing, seems to change this in a very important way. It reads, on page 3, under section 2, of the amendment as follows:

In establishing the level of price support pursuant to paragraph (1) and in establishing the rates of diversion payments for diverting acreage under subsection (a) of section 339, the objective shall be to assure a total amount of returns to producers, including any proceeds from export marketing certificates, at a level not less than $1.90 per bushel.

I believe that the amendment is wrong in that it includes all producer returns. That could mean that premiums a farmer might receive for high quality wheat when sold on a cash market would be included in this computation.

It would establish a very complicated and unacceptable procedure. I do not believe that this was the intent of the committee. I am sure that it is not the intent of the Senator from South Dakota.

I have some language to suggest which will cover this. This has been prepared by the Agriculture Committee staff. It may be subject to some technical changes. However, I believe that it would accomplish what we want to do. The language reads:

The level of price support pursuant to paragraph (1)(a) multiplied by the number of bushels for which domestic marketing certificates are issued to producers, plus the level of price support pursuant to paragraph (1)(b) multiplied by the number of bushels of wheat for which domestic marketing certificates are not issued, plus diversion payments for diverting acreage under subsection (a) of section 339, plus the proceeds from export marketing certificates shall, when averaged over the projected yield of the national average allotment, be not less than $1.90 per bushel.

While it may be subject to some technical changes, this is what we need, I believe, to accomplish what we set out to do in the committee.

Mr. McGOVERN. Mr. President, the Senator from North Dakota is truly an expert in this field of wheat legislation. He is a wheat farmer himself.

As I understand the language the Senator has just read, it would firm up and spell out in greater detail exactly what we are trying to accomplish in this legislation. As the Senator states, it is intended to assure the farmers of full parity on their domestic production so that when blended with the export wheat, we would end with a total blend price of not less than $1.90 a bushel.

I believe that the language which the Senator from North Dakota has proposed makes good sense and that it should be incorporated in my amendment.

Mr. YOUNG of North Dakota. Does the Senator from South Dakota accept this language?

Mr. McGOVERN. Mr. President, I modify my amendment to incorporate the language suggested by the Senator from North Dakota.

I yield to the Senator from Kansas.

Mr. CARLSON. Mr. President, I appreciate very much the kindness of the distinguished Senator from South Dakota in accepting the language submitted by the Senator from North Dakota [Mr. YOUNG].

I believe that this language clarifies the amendment. I believe that both Senators are probably trying to accomplish the same purpose.

The language that has been submitted would definitely assure the $1.90 a bushel price for wheat, regardless of protein content or any of the other items that enter into the cost on the farm.

The Senator from North Dakota had a good point. If we must analyze every phase that enters into the cost, it would be such a complicated piece of legislation that it would not be operative.

This is a very worthy suggestion. I appreciate very much the acceptance by the Senator from South Dakota of this modification to his amendments. I believe it will be most helpful.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield.

Mr. YOUNG of North Dakota. Mr. President, the sole objective of the modification is to assure the farmer a minimum blended price support of $1.90 a bushel.

Mr. McGOVERN. Mr. President, I appreciate the efforts of the Senator to make sure that that language is contained in the bill. It is comforting to have the words of reassurance from the Senator from Kansas [Mr. CARLSON].

Mr. President, I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, the section entailed a great deal of discussion. It was discussed pro and con for some time. The committee desired more or less to guarantee to the wheat farmers a minimum sum a bushel.

It will be recalled that the administration sent up wheat provisions under which the consumer would have paid a larger part of the cost of this program. There was such opposition in the House to raising the cost to the consumer that the House amended the administration bill to keep the amount paid by the consumer at the same level as in the past.

The objective of the House was to attain a blended support price of at least $1.81 a bushel. Pursuant to that objective, I suggested a method to attain that goal. The Senator from North Dakota had a different proposal that would increase that goal from $1.81 to $1.90. The committee considered this proposal at length and finally agreed to it. There was no opposition.

As I understand the amendment that is now being proposed, the same goal that is provided for in the bill would be attained through a different method without any further cost to the Government. The blend price will not be less than $1.90. We are trying to reach the same goal for the producer of wheat. The only difference is in the method of attainment.

I understand that one of the amendments which has been added would provide for obtaining a part of the $1.90 a bushel through diversion payments on the diversion required as a result of reducing the national acreage allotment below 55 million acres.

Mr. McGOVERN. The Senator is correct.

Mr. ELLENDER. That is really the essential difference between the two plans. As I understand the situation, the program more or less would retain and maintain the certificate program which was worked on a few years ago, but by counting the diversion payments just mentioned and returns from a variable export certificate, as well as the support price, is designed to give the producer a blended return of $1.90 per bushel.

Mr. McGOVERN. The Senator is correct.

Mr. ELLENDER. As I understand, the amendment, as modified, changes the wheat provisions of the bill to provide for:

First. The issuance of domestic marketing certificates to producers.

Second. Price support for wheat accompanied by domestic marketing certificates at as near parity as practicable, but not less than $2.50 per bushel.

Third. Price support for noncertificate wheat at a level not more than parity, determined after consideration of competitive world prices of wheat, feed value in relation to feed grains and the feed grain price support level.

Fourth. A total return to producers of not less than $1.90 per bushel from first, support prices; second, payments on the diversion required as a result of reducing the allotment below 55 million acres; and third, proceeds from a new type of export marketing certificate.

Fifth. An export marketing certificate which would be sold to exporters at an amount determined on a daily basis

which would make U.S. wheat and flour competitive without disrupting world prices.

Sixth. Issuance of export marketing certificates to producers at the end of the marketing year on a pro rata basis. The value of such certificates would be based on the total amount received from exporters less the total amount of wheat export subsidies paid to exporters.

The maximum cost of certificates to processors would, as in the committee bill, be not more than the difference between the loan level and $2 for 1966, with discretionary authority in the Secretary to increase it up to the difference between the loan level and parity in subsequent years if bread prices rose.

The amendment also strikes out the provision in the committee bill which would have permitted the Secretary to suspend the requirement that processors acquire certificates.

Mr. McGOVERN. The Senator is correct.

Mr. ELLENDER. Mr. President, as chairman of the committee, I had a full discussion on the matter before the committee and went into every phase of these payments. I have no objection to agreeing to the amendment.

Mr. McGOVERN. Again I express appreciation to the chairman of the committee for his consideration throughout the hearings, not only on the wheat section, but on other complex sections of the legislation. No one could have possibly been more thoughtful and considerate toward the other members of the committee than was our chairman, the Senator from Louisiana [Mr. ELLENDER]. So I very much appreciate his support of the proposed amendment.

Mr. President, if there are no further comments, I move the adoption of the amendment of the Senator from South Dakota [Mr. McGOVERN], as modified.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment (No. 437), as modified, was agreed to, as follows:

On page 64, line 12, after the period, add the following: "Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat he estimates will be used during such year for food products for consumption in the United States, and (2) the national allocation percentage for such year which shall be the percentage which the national marketing allocation is of the amount of the national marketing quota for wheat that would be determined for such marketing year if a national marketing quota for such year had been proclaimed less the expected production on the acreage allotments for farms which will not be in compliance with the requirements of the program. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the projected farm yield, and multiplying the resulting number of bushels by the national allocation percentage."

On page 68, strike out lines 10 through 17, and substitute the following:

"(1)(a) price support for wheat accompanied by domestic certificates shall be at 100 per centum of the parity price or as near thereto as the Secretary determines practicable, but in no event less than $2.50 per bushel, (b) price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of the parity price therefor, as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains."

On page 68, beginning with line 18, strike out down through line 21 on page 69 and substitute the following:

"(2) The level of price support pursuant to paragraph (1)(a) multiplied by the number of bushels for which domestic marketing certificates are issued to producers, plus the level of price support pursuant to paragraph (1)(b) multiplied by the number of bushels of wheat for which domestic marketing certificates are not issued, plus diversion payments for diverting acreage under subsection (a) of section 339, plus the proceeds from export marketing certificates shall, when averaged over the projected yield of the national acreage allotment, be not less than $1.90 per bushel."

On page 67, beginning with line 9, strike out down through line 4 on page 68 and substitute the following:

"(f) Section 379e of such Act is amended by adding at the end thereof the following: 'Notwithstanding any other provision of this Act, Commodity Credit Corportion shall sell marketing certificates for the marketing years for the 1966 through the 1969 wheat crops to persons engaged in the processing of food products at the face value thereof less any amount by which price support for wheat accompanied by domestic marketing certificates exceeds $2 per bushel; except that if the Secretary determines that the average price of bread in the United States has increased following enactment of the Food and Agriculture Act of 1965 and prior to the beginning of such marketing year, the Secretary may increase such price to an amount not exceeding the face value of such certificates. The exception contained in the preceding sentence shall not be applicable to the marketing year for the 1966 crop.'"

On page 72, after line 25, insert the following:

"(2) Amendment (13) of section 202 is amended by striking out 'only with respect to the crop planted for harvest in the calendar year 1965' and substituting 'with respect to the crops planted for harvest in the calendar years 1965 through 1969'."

On page 65, strike out lines 12 through 23.

On page 72, beginning on line 24 change the semicolon to a period, and strike out down through line 25.

On page 63, lines 8 to 10, strike out "by striking out 'not accompanied by marketing certificates,' and substituting 'under section 107(1) of the Agricultural Act of 1949,' and (3)".

On page 75, between lines 16 and 17, insert the following:

"Section 379d(b) is amended by striking out the second sentence and substituting the following: 'The cost of the export marketing certificates per bushel to the exporter shall be that amount determined by the Secretary on a daily basis which would make United States wheat and wheat flour generally competitive in the world market, avoid disruption of world market prices, and fulfill the international obligations of the United States.'

"Section 379c(a) is amended by striking out everything in the next to the last sentence beginning with the words 'United States' and substituting the following: 'United States. The Secretary shall also provide for the issuance of export marketing certificates to eligible producers at the end of the marketing year on a pro rata basis. For such purposes, the value per bushel of export marketing certificates shall be an average of the total net proceeds from the sale of export marketing certificates during the marketing year after deducting the total amount of wheat export subsidies paid to exporters.'

"Section 379c(c) is amended by striking out 'and the face value per bushel of export certificates shall be the amount by which the level of price support for wheat accompanied by export certificates exceeds the level of price support for noncertificate wheat.'"

Mr. YOUNG of North Dakota. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MONDALE. Mr. President, in the Washington Daily News of Thursday, September 9, 1965, there appeared an article written by Mr. John Herling, commenting on what is known as section 703 of the Food and Agriculture Act as recommended by the Committee on Agriculture and Forestry, which sets forth certain figures on the cost of wheat, designed to indicate that the U.S. 50-percent shipping requirement is not a factor in the sale of American wheat. I was surprised to read these figures, because I had never heard them before. I checked them carefully with the U.S. Department of Agriculture, agricultural service, and find on proper analysis, that they prove the point of those of us who have charged that this restriction prevents the sale of American wheat rather than improves it.

I ask unanimous consent that the article by Mr. Herling, together with my analysis with respect to it, be printed in the RECORD at this point.

There being no objection, the article and analysis were ordered to be printed in the RECORD, as follows:

SOVIET WHEAT RHUBARB

(By John Herling)

A great storm has been whipped up in the Wheat Belt over the alleged bullheadedness of the American maritime unions on the subject of wheat shipments to the Soviet Union.

According to some farm State Senators, notably Senators GEORGE McGOVERN, Democrat, of South Dakota, and WALTER MONDALE, Democrat, of Minnesota, more than a quarter billion bushels could be sold to the Soviet Union were it not for the blocking tactics of the American labor movement.

It appears that the American unions insist on sticking to the agreement brought about in 1963 by President Kennedy and nailed down under President Johnson. This calls for the export of U.S. wheat on a 50–50 shipment basis: at least half to go in U.S. ships and the rest in foreign-flag ships.

Because of the superior wage scales and employment conditions on U.S. ships, U.S. shipping costs are higher than those charged by foreign-flag ships. While U.S. unions would be ready to ship wheat abroad, they believe that it should not be done at the expense of hard-won U.S. living and working standards. They also maintain that shipment of more than 50 percent grain in foreign-flag ships could prove another blow to the diminishing U.S. maritime industry.

In the meantime Senators McGOVERN and MONDALE have introduced an amendment to the farm bill which calls for the relaxation

of the foreign-flag restrictions as applied to wheat shipments.

Union spokesmen express puzzlement not so much about the concern of farm State Senators for their constituents which they regard as natural—but about the nature of the attack on the labor position.

First of all, say the AFL–CIO spokesmen, the issue here is not the sale of wheat but the size of the profit which the Continental and the Cargill grain companies want to make on the export deal. Already the Russians have bought from Canada for $2.21 a bushel the same quality of grain which the exporters can buy in Galveston for $1.74. With an export subsidy of 50 cents a bushel, this brings the cost down to $1.24. At this point a series of charges are added: 3 cents a bushel for loading, 54 cents a bushel for U.S.-flag ships and 30 cents for an export certificate—which brings the export price up to $2.11 a bushel, as compared with the $2.21 paid by the U.S.S.R. for Canadian wheat. Even if all the wheat were shipped in U.S. vessels, the wheat exporters would still be making a good profit. If the wheat is shipped 50–50 between foreign-flag ships and U.S. ships, under the Kennedy-Johnson agreement, the wheat exporters would be making a handsome $41 million profit. But if the agreement were scrapped and the wheat were shipped in foreign-flag ships alone, the export companies would harvest a $60 million profit.

At the same time, the AFL–CIO spokesmen declare the unions are not arbitrary or inflexible on the whole issue. But so far, they say—contrary to the impression created by a spate of stories on the subject—neither President Johnson, Vice President HUMPHREY, Commerce Secretary Connor, Labor Secretary Wirtz, Agriculture Secretary Freeman, or even the Senators involved, have talked to AFL–CIO President George Meany. Nor, says the AFL–CIO, has any proposition been placed before the Maritime Advisory Committee, which was set up in 1964 to handle such problems, following a similar crisis on wheat shipments.

ANALYSIS

In yesterday's Washington Daily News, a column by John Herling puts forward the dubious thesis that the American bottoms requirement is not preventing wheat sales to Russia at all. The author quotes some figures which, he argues, show that even if all our grain were shipped in American vessels to Russia, our wheat exporters could still make a sizable profit at existing prices.

Unfortunately, the figures Herling uses are simply inaccurate. He quotes the price of $2.21 a bushel paid by the Russians for wheat they bought in Canada, and argues that, using U.S.-flag ships, we could sell wheat abroad for $2.11 a bushel. Unfortunately, he apparently does not realize that the $2.21 price he uses for Canadian wheat is really a price in Canadian dollars. At the August 12 exchange rate of 92.78, this would translate to a price of roughly $2.06 in U.S. dollars. This means that the relevant comparison is between $2.06 a bushel for Canadian wheat, and $2.11 a bushel for American wheat in American bottoms.

Mr. Herling's article also demonstrates some other unfortunate misunderstandings. He writes as though the issue concerns all of American wheat shipments abroad, or all of American cash wheat sales. In fact, no one is questioning the 50-percent bottoms requirement for Public Law 480 grain sales, and there has never been a 50-percent restriction on commercial sales to countries other than those in the Soviet bloc.

I think it is important to get the real facts here. The latest Foreign Agricultural Service figures estimate that the No. 3 Manitoba wheat sold by Canada to the Russians has a delivered price, at Odessa, of $76.82 a metric ton. The comparable American grade is No. 1 Heavy Northern Spring, 15-percent protein. This wheat, on September 1, 1965, had a delivered price, at Odessa, of $79.12 a ton, when sent 50 percent in American bottoms.

Latest Department of Agriculture estimates indicate that the extra cost per ton of sending wheat in 50 percent American bottoms is about $3.

If we subtract this from the present delivered price of American wheat to Odessa, $79.12, we can conclude that, if it were not for the American bottoms requirement, we could supply wheat to the Russians at Odessa for $76.12, about 70 cents less than the Russians are paying the Canadians for equivalent wheat.

It seems to be alleged in Mr. Herling's article that the high present American price—$79.12 a ton delivered at Odessa in 50 percent American bottoms—includes excessive profits for the American wheat export companies, and that they could afford to provide wheat at much lower cost. I do not believe there is very much substance to this argument. Wheat exporting is a very competitive business, and this fact tends to drive profits down. According to exports in the Grain Division of the Foreign Agricultural Service, a profit of $1 per ton is a very good one on such large scale sales, and such sales are often made on profits very much smaller than this, even less than 25 cents a ton.

Thus any claim that the difference between the present delivered prices of comparable American and Canadian wheat—roughly $2.30 a ton—is due to profit margins of wheat exporters simply does not make very much sense.

Mr. McNAMARA. Mr. President, much has been said today—both for and against the requirement that 50 percent of the wheat shipments authorized under this act must go in American bottoms. What concerns me is the fact that little if anything has been said concerning the obligations of the American merchant marine.

A substantial number of our shipping lines receive Government operating subsidies—the purpose being to enable the American flags with their higher operating costs to compete with the foreign flag lines. The theory behind such a program is excellent. However, the actual experience is much more sobering.

The experiences which I have in mind relate specifically to the Great Lakes and the St. Lawrence Seaway, and may be unique to this area.

However, as this Great Lakes area comprises the heartland of American manufacturing and farming, as well as being one of the largest taxpaying areas of our country, I firmly believe that it is entitled to fair and equal treatment, especially by those shipping lines receiving Government operating subsidies. The opposite, I am sad to say, is true.

The St. Lawrence Seaway owes much of its remarkable progress thus far to the efforts of the foreign-flag shipping lines who have been primarily responsible for the development of this fourth seacoast.

It seems that the American-flag lines, knowing they automatically must receive 100 percent of military cargoes and 50 percent of all other cargoes shipped under Government programs, are satisfied to wait and, therefore, force the cargoes to come to them at tidewater ports of their choosing. Many of these lines, I might add, are subsidized.

In theory, it should be cheaper to ship directly to Europe from the Great Lakes area where products are manufactured rather than transport those products overland to tidewater ports and then ship them to Europe.

But because the American-flag lines have jacked up the Great Lakes to Europe freight rates so high on cargoes with military potential, direct shipments from Great Lakes ports to European destinations have been virtually eliminated.

As I said earlier, the Federal Government pays subsidies to U.S.-flag lines to enable them to compete with foreign-flag lines. But in the case of the Great Lakes this purpose has not been realized.

For example, on military-type items being shipped to Europe, the ocean rates from tidewater ports for all lines, foreign and domestic, and the foreign-flag lines rates from the Great Lakes to Europe, are almost identical.

But American-flag line rates from the lake ports to Europe, despite the Federal subsidy, are 65 percent higher than via foreign-flag ships. This same situation generally holds true for most other cargoes originating in the Great Lakes area.

Under the law, 100 percent of military cargoes must be shipped in American bottoms. However, military cargoes shipped from Great Lakes ports have dropped from a high of 151,000 measurement tons in 1962 to an estimated low this year of only 45,000 measurement tons.

What is the reason for this?

Well, when it comes time to ship these military products manufactured in the Great Lakes area, as required by law in American bottoms, American ships mysteriously just are not available at Great Lakes ports. And so the cargoes must be transported overland, at greater cost, to tidewater ports, where American line ships are available to carry them.

However, in this instance, the Defense Department must share an equal portion of the blame.

For example, in 1964, 89.5 percent of all military cargoes carried on ships chartered by the Defense Department came from the Great Lakes area, but were actually shipped via tidewater ports.

This action is contrary to a study made by the Defense Department in 1961 in which the use of controlled ships was recommended to take advantage of the lower landed costs via lake ports.

Whatever the outcome of the vote on section 703, I firmly believe that serious consideration should be given by the Senate toward taking whatever action it deems necessary to insure that the Government is getting a fair and just return for its subsidy dollar.

This should include, I believe, a study into the current method of subsidy payments. Further, it should result in the development of a method whereby all areas of the country would share in the benefits of the American-flag line subsidies, for which we all pay.

Mr. MANSFIELD. Mr. President, I have been giving some thought to section 703, about which there has been discus-

sion on the floor of the Senate on yesterday and today. May I say, in all frankness, that I am in favor of the proposal advanced by the distinguished Senator from Minnesota [Mr. MONDALE], the distinguished Senator from South Dakota [Mr. MCGOVERN], and others, and I am delighted we have had this chance to discuss the matter out in the open so a better understanding could better be achieved.

I do not feel wheat should be penalized at the expense of every other commodity. If we are going to penalize wheat, why do we not penalize all the other commodities which are sent abroad without any of the burdens and drawbacks that are applicable in the case of wheat?

In other words, I join with my colleagues from the wheat-producing States in saying all we want is the same kind of fair deal for wheat that other commodities are given when they are sold overseas.

I am aware of the fact, as are other Senators, that some days ago a resolution was introduced by the Senator from South Dakota [Mr. MCGOVERN] and the Senator from Missouri [Mr. SYMINGTON], seeking to investigate an additional ramification of this existing requirement with respect to the shipments of wheat abroad. That resolution is now in the Committee on Foreign Relations. Just today I had a talk with the distinguished acting chairman of that committee, the Senator from Alabama [Mr. SPARKMAN]. He told me hearings had been scheduled on the McGovern-Symington resolution for Monday next.

Therefore, if Senators would agree, and most especially those from the same area that I come from, the wheat-producing area, I would like at this time, on my own initiative, because of the fact that a hearing will be held on Monday and the resolution will in all likelihood be reported out—I repeat, on my own responsibility at this time, even though I favor it—to move to strike section 703. I am of the opinion that the Committee on Foreign Relations will agree that the existing policy is unwise and when the resolution returns to this Chamber for consideration, we will have the benefit of the considered judgment not only of the Committee on Agriculture but also the Committee on Foreign Relations.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. MONDALE. I believe the discussion and debate that have been engendered by section 703, and as contained in the committee report, have already been most useful in creating a broader public understanding of what is involved. The section was unanimously approved by the Agriculture Committee——

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MONDALE. I yield.

Mr. MANSFIELD. I am delighted the Senator has emphasized the fact that section 703 was unanimously approved by the Senate Committee on Agriculture and Forestry. When the matter is investigated thoroughly the wisdom of the proposal by the distinguished Senator from Minnesota [Mr. MONDALE] is clear.

Mr. MONDALE. I thank the Senator very much. I think it is significant, in terms of expressing the unanimous feeling, that after a substantial discussion of the committee, it was felt that the 50-percent limitation was very unfair to the agriculture economy, denied improvement in the international balance-of-payments situation, and did not hurt the Communist bloc in any way, shape, or form whatever. It simply gives us 50 percent of nothing.

Since the discussion on this matter has come up time and time again, there has come to attention the existence of a memorandum from the legal section of the State Department indicating that 30 existing laws are probably being violated in principle by the 50 percent American bottom requirement. In line with that, the hearings by the Foreign Relations Committee, set for next Monday, on the resolution by the Senator from Missouri [Mr. SYMINGTON] and the Senator from South Dakota [Mr. MCGOVERN], are well in order.

I am 100 percent enthusiastically in favor of section 703, but in line with that information, and because further information will strengthen that view, I therefore do not oppose the motion.

Mr. MANSFIELD. I appreciate the understanding shown by the distinguished Senator from Minnesota. I know how much this means to him, and how interested he is in this particular section. I have discussed with him the value of adding the consideration and deliberations of the Foreign Relations Committee to the existing arguments so ably developed and articulated by him.

I note that since we started the colloquy the distinguished acting chairman of the Foreign Relations Committee has returned to the floor. I wish to repeat, so he may either confirm or deny the statement I made, that it had been his intention to hold hearings on the McGovern-Symington resolution on Monday next in the Foreign Relations Committee.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. SPARKMAN. What the distinguished majority leader has said is correct. Earlier today I had discussed with the staff director of the Foreign Relations Committee our agenda for Monday's meeting. This resolution was included. This was the first I knew of the move to strike the section out. We will proceed as expeditiously as possible.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, as was stated by the distinguished majority leader, as well as the distinguished Senator from Minnesota [Mr. MONDALE] the proposal that is included in section 703 was adopted by the committee unanimously. Although I am somewhat disappointed that it should be abandoned and referred to the Committee on Foreign Relations, there is yet a possibility that the Foreign Relations Committee may take a little stronger action than we did, because section 703 simply states that it is the sense of Congress that such and such be done.

All this came about, Mr. President, when the late President John F. Kennedy agreed to sell wheat to Russia. One of the conditions he imposed by Executive order was that at least 50 percent of the wheat sold to Russia be shipped in American vessels.

There is no law at all on the statute books with respect to that problem. As the majority leader has stated, why should we restrict the shipment of wheat when, as a matter of fact, there is no restriction whatever on any other commodity sent abroad to countries who desire to buy from us?

I am hopeful that if the Committee on Foreign Relations takes up this matter, they will come in with something of substance upon which the Senate may act as quickly as possible.

I think we have sufficient protection in the law at present, as regards the shipment of wheat and other surplus commodities, under the Public Law 480 program. That restriction has been with us for a long time, and since that wheat is more or less used to effectuate our foreign policy, there has never been any serious objection to the requirement of 50–50 shipment in American bottoms under Public Law 480.

But in relation to the sale of other commodities which we sell for dollars in the regular course of trade, to impose restrictions on wheat—or in fact on any commodity—I think is wrong, no matter to whom the commodity is sold. All commodities should be treated similarly. I again express the hope that if, as and when the Foreign Relations Committee deals with the subject, it does not put it in the sense of Congress, but makes it legal.

Mr. CARLSON. Mr. President, I shall certainly not oppose the motion made by the distinguished majority leader [Mr. MANSFIELD] in regard to removing section 703.

I, too, am somewhat disappointed that we do not get action immediately, but on the other hand, I am a member of the Senate Foreign Relations Committee, as is the distinguished Senator from Montana. Our ranking majority member on the committee, the Senator from Alabama [Mr. SPARKMAN] has just stated that the committee will begin hearings Monday.

This is an issue upon which we should get action, and I sincerely hope we can get action this session of Congress. I realize that any action coming from the Senate Foreign Relations Committee in the form of a resolution would probably not only have to pass this body, but the other body on the other side of the Capitol, in order to become law. But it is a matter that should be resolved, and I hope we can get early action.

For that reason, I shall certainly not oppose the removal of the section, but sincerely hope for early action on some such resolution.

Mr. DOMINICK. Mr. President, I wish to express my appreciation to the Senator from Montana for the action he has taken. I think it points up the degree of interrelationship which seems to exist—and sometimes it is unfortunate—between the State Department and the Department of Agriculture.

It strikes me that since this issue affects so many different branches of our Government and so many facets of our foreign relations, nothing could be better than to get it before the Committee on Foreign Relations, so that they may consider it at some length. I am happy to support the motion.

Mr. McGOVERN. Mr. President, I simply wish to state that I subscribe completely to the views of the Senator from Montana, the distinguished majority leader, and with those of the Senator from Louisiana [Mr. ELLENDER], the chairman of our committee, and the others who have spoken.

I think the route now proposed is the most practical one for us to take. The case has been made on the Senate floor, it seems to me, in a very compelling fashion. There seems to be some indication that on the administration side, in maritime circles, and elsewhere, there is willingness to take a careful and thoughtful look at this restriction, which is helping no one and hurting many parts of our economy, and which may in fact be in open violation of some of our sacred treaty obligations.

It is to that latter question that my resolution which will be heard before the Foreign Relations Committee on Monday is directed.

So I am happy to support the motion of the distinguished majority leader.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana.

The amendment to the committee amendment was agreed to.

Mr. MANSFIELD. I ask unanimous consent that the Senate reconsider the vote by which the amendment was agreed to.

Mr. MONDALE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 428

Mr. CARLSON. Mr. President, I call up my amendment No. 428.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to state the amendment.

Mr. CARLSON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be printed in the RECORD at this point.

The amendment ordered to be printed in the RECORD is as follows:

On page 44, line 8, after the words "wheat so stored", strike out the period and quotation mark and insert the following: ", and a married producer shall be deemed to be in compliance with the provisions of this Act unless the Secretary finds: (1) Managerial control of a noncomplying farm by either husband or wife is shared by the spouse, or (2) there have been changes in the operations or managerial control of a noncomplying farm which would tend to negate the offsetting compliance provisions for either spouse."

Mr. CARLSON. Mr. President, my amendment, on its face, seems ridiculous. Stated very simply, it permits a man and wife to live together in the same household and still comply with the farm program.

We hear a great deal about the family farm and keeping the farm family together, but all I seek to do with this amendment is to make it possible for a legally married couple—who owned property individually, previous to their marriage—to live in the same dwelling and still participate in the farm program.

Here is what actually happened in a case with which I am familiar:

A lady whose husband passed away in 1948 purchased a quarter section of land in 1951 and later remarried. Her second husband also owned land. She operated her quarter section of land on her own through all the years from 1948 to 1965, and still does. Her second husband operated his land, but was informed last year that he would have to give up his wheat program benefits because his wife overseeded her wheat allotment. He was in compliance on his land, but the USDA ruled the land must be treated as a unit.

I would agree if they each own an interest in the land, or share in the profit, the land should be considered one unit, and this is provided in the amendment.

The Department in its letter dated August 17, 1965, stated:

Therefore, we hold the opinion that husbands and wives, as well as minor children, who share the same household may not be considered as separate producers in determining the compliance of one family member under the offsetting compliance requirement of the feed grain and wheat program.

In this particular case, the State ASC office granted relief this year, but it is about seeding time again, and according to the ruling of the Department of Agriculture, it will be necessary for Mrs. X to live in another household in order to be in compliance with these orders. If this were done, they would be able to operate their farm separately and participate or not in the present wheat program.

It is situations like this that make it so difficult for farmers to understand what Congress intends when it passes a farm bill.

I have also received a letter from a county agent in a large wheat-producing county, in which he mentions similar situations. There are only a few of them, but this sort of thing certainly discredits the farm program in the Wheat Belt and in every State in which wheat is grown.

I sincerely hope that the Senator from Louisiana will take the amendment to conference. If there were something wrong with it, I would not offer it. I believe it should be adopted in order to clear up situations like this, and to similar situations from developing.

Mr. ELLENDER. Mr. President, I am told by our counsel that the proposed amendment would not do what the Senator from Kansas believes it would do. An amendment will be proposed by the distinguished Senator from Washington [Mr. MAGNUSON], which deals with the same subject matter. The only difference between the amendment to be offered by the Senator from Washington and the proposal now before us by the Senator from Kansas is that the Magnuson amendment deals with State lands which are leased to various farmers.

If one farmer fails to live up to the contract, all other farmers who obtain lands through lease from the State suffer. The Department now has authority to deal with the problem. The Senator stated a moment ago that the subject was dealt with last year by the Department, and I presume in a way that was satisfactory to the individuals involved.

I ask my good friend the Senator from Kansas to permit us to consider the amendment on Monday. I should like to consult with the Department and give the representatives of the Department an opportunity to point up the implications involved in both the amendment offered by the Senator from Kansas and the amendment offered by the Senator from Washington [Mr. MAGNUSON]. I stated to the Senator from Washington that I would consider his amendment, and since both amendments deal with the same problem, though in a different way, it might be well for that procedure to be followed.

I do not see any objection to the amendment. At least, I see no objection to what the Senator seeks to do. But whether the language he has proposed would do that is something I question. For that reason, if my good friend will withdraw the amendment, we shall consider the subject on Monday. Meanwhile I shall have something done about it by the Department so that we can accomplish what the Senator seeks to do.

Mr. CARLSON. Mr. President, as usual, our distinguished chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER] is most generous in his desire to be helpful. I have but one desire, and that is to avoid not only the problem about which we have spoken, but a great deal of criticism which results in discrediting a farm program. When people in a rural community discuss the subject, they say that they do not understand people in Washington when they write this kind of language and laws like this. I am anxious to cooperate with the chairman, and sincerely hope that we can work out something together. I have no pride of authorship in the amendment. I am merely trying to relieve a situation that I believe should be corrected. On that basis I withdraw the amendment.

Mr. ELLENDER. I am sure we can probably get together on some language.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 433 AND 434

Mr. CARLSON. Mr. President, I call up my amendments Nos. 433 and 434.

The PRESIDING OFFICER. Does the Senator ask unanimous consent that the amendments be considered en bloc?

Mr. CARLSON. I ask unanimous consent that the amendments be considered en bloc and that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments will be printed in the RECORD.

The amendments are as follows:

Page 9, line 3, after the word "amount" strike the period and insert the following: ": *Provided*, That in no event shall the Secretary require any producer, as a condition of eligibility for conservation payments made pursuant to this section or price support loans or payments made pursuant to section 105 of the Agricultural Act of 1949, as amended, to increase the average acreage of cropland that was devoted during the base period to designated soil-conserving crops or practices (including summer fallow and idle land) to more than 50 per centum of the total cropland on the farm."

Page 33, line 14, strike the period after the word "reserve" and insert the following: ", but in no event shall the total average acreage of cropland that was devoted during the base period to designated soil conserving uses (including summer fallow and idle land) be more than 50 per centum of the total cropland on the farm."

Mr. CARLSON. Mr. President, the purpose of these two amendments is to correct an inequity in the present wheat and feed grain program in regard to its application to farmers in dryland areas where summer fallow is a necessary farming practice.

These amendments were not considered in the Committee on Agriculture in the House of Representatives, although my very good friend, Representative ROBERT DOLE, has discussed them with me following that, because these amendments had not been called to the attention of the committee.

Summer fallow is a farming practice under which farmers set aside a portion of their farms each year in order to preserve necessary soil moisture thereby insuring that any crops planted during the following year will be able to develop and grow.

It is a practice that must be followed if farmers in these areas will be able to produce a crop.

The present wheat and feed grains law both establish a requirement that when a farmer participates in these programs he must add additional acres to his soil conserving base. The soil conserving base is generally defined as permanent pasture, farm roads, timberland, and so forth, and summer fallow land during an established past period of time.

The idea behind the soil conserving base and the requirement that it must be increased if a farmer participates in the program is a sound one. The idea is to prevent a cooperating farmer from idling some wheat or feed grain acres and then plowing up pastures or grassland and plant other crops, thus defeating one of the basic purposes of these programs, which is of course to hold down the overall production of crops.

This requirement, however, when applied to dryland farmers who must use the summer fallow practice in order to survive, often results in a severe hardship on these farmers.

These farmers often must devote substantial portions of their farms each year to the summer fallow practice in order to keep their soil in a condition which will enable it to produce crops the next year.

Thus, the requirement that the soil conserving base be supplemented by additional retired acres frequently results in an individual farmer being unable to farm less than one-half of his farm.

The two amendments would provide that these farmers not be required to maintain over one-half of their farms in soil conserving and summer fallow practices.

In other words, these amendments would insure farmers participating in the wheat and feed grains programs that they could farm at least one-half of their farms.

This amendment is needed to alleviate a hardship applicable to the limited number of farmers who are in summer fallow areas.

As can be seen by the language of the wheat title of this bill there is already proposed a special reserve for cases of this nature. The proposed amendment would simply further clarify these provisions.

In the case of feed grains the amendment would allow participating farmers to receive all the program benefits, even though their soil conserving base would otherwise represent more than one-half of the total cropland of their farms.

Certainly our farm programs should allow cooperating farmers the opportunity to farm at least one-half of their farms. Certainly the present law and the bill establish and perpetuate an inequity for summer fallow farmers. These amendments will help to correct these inequities, and I urge their adoption.

Mr. ELLENDER. Mr. President——

The PRESIDING OFFICER (Mr. RUSSELL of South Carolina in the chair). The Senator from Louisiana is recognized.

Mr. ELLENDER. Mr. President, I wish that I could agree with my good friend the Senator from Kansas, but the amendment would allow the farmers to plant soybeans, and almost any other crop they might desire, on the land that they are supposed to divert from planting anything on.

Therefore, I hope that the Senate will reject the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas [Mr. CARLSON].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 435

Mr. MANSFIELD. Mr. President, I ask unanimous consent, at the request of the distinguished Senator from Tennessee [Mr. BASS], to call up amendment No. 435, and to have it stated.

The PRESIDING OFFICER. The amendment will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. On page 109, strike out line 24.

On page 110, strike out all language beginning with line 1 and going through line 8.

Mr. MANSFIELD. Mr. President, there will be no further business today, insofar as the farm bill (H.R. 9811) is concerned.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar, beginning with the Department of State on page 1.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

DEPARTMENT OF STATE

The legislative clerk proceeded to read sundry nominations in the Department of State.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

AGENCY FOR INTERNATIONAL DEVELOPMENT

The legislative clerk read the nomination of Dr. Gustav Ranis, of Connecticut, to be Assistant Administrator for Program Coordination, Agency for International Development.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

The legislative clerk read the nomination of Bernard Zagorin, of Virginia, to be U.S. Alternate Executive Director of the International Bank for Reconstruction and Development for a term of 2 years and until his successor has been appointed.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED NATIONS

The legislative clerk proceeded to read sundry nominations in the United Nations.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc, and that they include the name of James M. Nabrit, Jr., of the District of Columbia, on page 3.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

WORLD HEALTH ORGANIZATION

The legislative clerk read the nomination of Dr. James Watt, of the District of Columbia, to be a representative of the United States of America on the Executive Board of the World Health Organization.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF STATE

The legislative clerk read the nomination of John A. Gronouski, of Wisconsin, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Poland.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

On motion of Mr. MANSFIELD, the Senate resumed the consideration of legislative business.

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 682, and that the rest of the calendar be called in sequence.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The clerk will state the various measures in order.

INCREASE IN RETIRED PAY OF CERTAIN MEMBERS OF THE FORMER LIGHTHOUSE SERVICE

The bill (H.R. 8761) to provide an increase in the retired pay of certain members of the former Lighthouse Service, was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 699), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to provide an increase in annuities for members of the former Lighthouse Service to place them on an equal status which recipients of civil service annuities.

BACKGROUND

H.R. 8761, and an identical bill, S. 2216, were requested by the Secretary of the Treasury in an executive communication.

The Lighthouse Service was merged with the Coast Guard in 1939 and the remaining civilian employees of the Service continue to serve until they reach retirement age. As of May 31, 1965, the Service has 546 retirees, with 82 still on active service.

The retirement system for these individuals is separate from the Civil Service Retirement Act and previously attempts have been made to equalize the benefits. However, Lighthouse Service retirees received no increase when civil service retirees were given a 5-percent increase in 1962.

The bill as introduced provided for a similar 5-percent increase for the Lighthouse Service retirees, but the House Committee on Merchant Marine and Fisheries believed a greater increase should be made because they have not benefited from this increase for the past 3 years. Accordingly, the Coast Guard was requested to calculate that percentage which, on an annuity basis, would place Lighthouse Service retirees on a parity with civil service retirees. As a result of those studies, which indicate a 6.5-percent figure, the House amended the bill to that figure. The Senate Committee on Commerce accepts the 6.5-percent figure.

INVITATIONS FROM FOREIGN PARLIAMENTARY BODIES

The resolution (S. Res. 145) to provide for responding to invitations from foreign parliamentary bodies was announced as next in order.

Mr. MANSFIELD. Mr. President, this resolution has been referred to the Committee on Rules and Administration, and I believe it is on the calendar in error.

BILL PASSED OVER

The bill (S. 1826) to amend title V of the International Claims Settlement Act of 1949 relating to certain claims against the Government of Cuba, was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

AWARDING OF SERVICE PINS OR EMBLEMS TO MEMBERS, OFFICERS, AND EMPLOYEES OF THE SENATE

The resolution (S. Res. 21) providing for the awarding of service pins or emblems to Members, officers, and employees of the Senate was considered and agreed to, as follows:

Resolved, That the Committee on Rules and Administration is hereby authorized to provide for the awarding of service pins or emblems to Members, officers, and employees of the Senate, and to promulgate regulations governing the awarding of such pins or emblems. Such pins or emblems shall be of a type appropriate to be attached to the lapel of the wearer, shall be of such appropriate material and design, and shall contain such characters, symbols, or other matter, as the committee shall select.

SEC. 2. The Secretary of the Senate, under direction of the committee and in accordance with regulations promulgated by the committee, shall procure such pins or emblems and award them to Members, officers, and employees of the Senate who are entitled thereto.

SEC. 3. The expenses incurred in procuring such pins or emblems shall be paid from the contingent fund of the Senate on vouchers signed by the chairman of the committee.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 702), explaining the purposes of the resolution.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 21 would authorize the Committee on Rules and Administration to provide for the awarding of service pins or emblems to Members, officers, and employees of the Senate, and to promulgate appropriate regulations governing the awarding of such pins or emblems. The pins or emblems would be of a type appropriate to be attached to the lapel of the wearer, and would be of such appropriate material and design and contain such characters, symbols, or other matter as determined by the committee.

In accordance with the committee's directive, the Secretary of the Senate would procure the pins or emblems and award them to the Members, officers, and employees who qualify. The expenses incurred in procuring the pins or emblems would be paid from the contingent fund of the Senate on vouchers signed by the chairman of the committee.

The Committee on Rules and Administration has made a preliminary survey of the procedures and qualification requirements established by a number of Government agencies for the awarding of service pins. If Senate Resolution 21 is agreed to by the Senate, the committee will issue implementing regulations to make the service awards proposal operative.

Regulations tentatively approved by the committee would provide, in pertinent part, as follows:

1. Type of award: The service pins or emblems shall be of a material and design and shall contain characters, symbols, and other matter as selected by the committee. In each case the recipient of an award will also be presented with an appropriate certificate of service, signed by the Secretary of the Senate.

2. Awards made annually: Early in 1966, the Secretary of the Senate shall arrange an appropriate ceremony for the initial awards of the pins or emblems to Members, officers, and employees of the Senate who were on the Senate payroll on date Senate Resolution 21 is agreed to and who at the end of the year 1965 were qualified for such award. Each recipient of these initial awards shall receive a single pin or emblem corresponding to his highest period of qualifying service. On an annual basis thereafter, the Secretary of the Senate shall arrange similar ceremonies for the presentation of awards to those who qualify therefor during the preceding calendar year.

3. Eligibility for award: The award of a pin or emblem to a Member, officer, and employee of the Senate shall be made after completion of 10 years of Senate service. Subsequent awards shall be made after the completion of succeeding 5-year periods up to and including 50 years of Senate service. Former employees of the Senate who previously have completed a minimum of 25 years of service shall also be eligible for an award upon application to the Secretary of the Senate.

4. Senate service defined: Senate service shall be limited to all service, whether continuous or not, performed while on the Senate payroll.

FANNIE E. HOLLOWAY

The resolution (S. Res. 146) to pay a gratuity to Fannie E. Holloway was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Fannie E. Holloway, widow of John H. Holloway, an employee of the Senate at the time of his death, a sum equal to nine and one-half months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

AUTHORIZATION TO STATE OF NEW MEXICO TO PLACE A STATUE OF THE LATE DENNIS CHAVEZ IN THE NATIONAL STATUARY HALL COLLECTION

The concurrent resolution (S. Con. Res. 46) to authorize placing temporarily in the rotunda of the Capitol the statue of the late Senator Dennis Chavez was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Senator Dennis Chavez Statuary Hall Commission is hereby authorized to place temporarily in the rotunda of the Capitol a statue of the late Dennis Chavez, of New Mexico, and to hold ceremonies in the rotunda on said occasion, and the Architect of the Capitol is hereby authorized to make the necessary arrangements therefor.

ACCEPTANCE BY CONGRESS OF A STATUE OF THE LATE DENNIS CHAVEZ IN THE NATIONAL STATUARY HALL COLLECTION

The concurrent resolution (S. Con. Res. 47) to authorize the acceptance by Congress of the statue of the late Dennis Chavez was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the statue of the late Dennis Chavez, presented by the State of New Mexico, is accepted in the name of the United States, and that the thanks of Congress be tendered to the State for the contribution of the statue of one of its most eminent citizens, illustrious for his historic renown and distinguished civic services; and be it further

Resolved, That a copy of these resolutions, suitably engrossed and duly authenticated, be transmitted to the Governor of New Mexico.

AUTHORIZATION TO PRINT AS SENATE DOCUMENT PROCEEDINGS INCIDENTAL TO ACCEPTANCE AND DEDICATION OF A STATUE OF THE LATE DENNIS CHAVEZ IN THE NATIONAL STATUARY HALL COLLECTION

The concurrent resolution (S. Con. Res. 48) to print as a Senate document the proceedings of the presentation, dedication, and acceptance by Congress of the statue of the late Senator Dennis Chavez was considered, and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the proceedings at the presentation, dedication, and acceptance of the statue of Dennis Chavez, to be presented by the State of New Mexico in the rotunda of the Capitol, together with appropriate illustrations and other pertinent matter, shall be printed as a Senate document. The copy for such Senate document shall be prepared under the supervision of the Joint Committee on Printing.

SEC. 2. There shall be printed five thousand additional copies of such Senate document, which shall be bound in such style as the Joint Committee on Printing shall direct, and of which one hundred copies shall be for the use of the Senate and two thousand eight hundred copies shall be for the use of the Members of the Senate from the State of New Mexico, and five hundred copies shall be for the use of the House of Representatives and one thousand six hundred copies shall be for the use of the Members of the House of Representatives from the State of New Mexico.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 703) explaining the purposes of the three concurrent resolutions.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXPLANATION OF THE CONCURRENT RESOLUTIONS

Senate Concurrent Resolution 47

Senate Concurrent Resolution 47 would provide that the statue of the late Dennis Chavez, presented by the State of New Mexico as its first contribution to the National Statuary Hall collection, be accepted in the name of the United States; and that the thanks of Congress be tendered to the State for this statue of "one of its most eminent citizens, illustrious for his historic renown and distinguished civic services."

Senate Concurrent Resolution 46

Senate Concurrent Resolution 46 would authorize the Senator Dennis Chavez Statuary Hall Commission to place the Chavez statue temporarily in the rotunda of the Capitol and to hold appropriate ceremonies in connection therewith. The Architect of the Capitol would be authorized to make the necessary arrangements.

Senate Concurrent Resolution 48

Senate Concurrent Resolution 48 would provide that the proceedings in the rotunda at the presentation, dedication, and acceptance of the Chavez statue, together with appropriate illustrations and other pertinent matter, be printed as a Senate document. The copy for the document would be prepared under the supervision of the Joint Committee on Printing. There would be printed and bound 5,000 additional copies of such document, of which 100 copies would be for the use of the Senate (1 per Member), 2,800 for the use of the Members of the Senate from the State of New Mexico (1,400 each), and 1,600 copies for the use of the Members of the House of Representatives from the State of New Mexico (800 each).

NATIONAL MUSEUM ACT OF 1965

The Senate proceeded to consider the bill (S. 1310) relating to the National Museum of the Smithsonian Institution which had been reported from the Committee on Rules and Administration with amendments.

On page 2, after line 2, to strike out:

SEC. 2. The Director of the National Museum shall (1) report annually to the Congress on progress in museums and their collections and other activities, such report to be included in the Smithsonian Institution's annual report of its other operations; (2) advise and cooperate with departments and agencies of the Government of the United States operating, assisting, or otherwise concerned with museums; (3) cooperate with museums and their professional organizations in a continuing study of museum problems and opportunities; (4) assist museums and their professional organizations in training career employees in museum practices; (5) prepare and distribute significant museum publications; and (6) perform research on, and otherwise contribute to, the development of museum techniques.

And, in lieu thereof, to insert:

SEC. 2. (a) The Director of the National Museum under the direction of the Secretary of the Smithsonian Institution shall—

(1) cooperate with museums and their professional organizations in a continuing study of museum problems and opportunities, both in the United States and abroad;

(2) prepare and carry out programs for training career employees in museum practices in cooperation with museums and their professional organizations, wheresoever these may best be conducted;

(3) prepare and distribute significant museum publications;

(4) perform research on, and otherwise contribute to, the development of museum techniques;

(5) cooperate with departments and agencies of the Government of the United States operating, assisting, or otherwise concerned with museums; and

(6) shall report annually to the Congress on progress in these activities.

(b) There are authorized to be appropriated such sums, not to exceed $200,000 for any fiscal year, as may be necessary to carry out the provisions of this Act.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Museum Act of 1965".

SEC. 2. (a) The Director of the National Museum under the direction of the Secretary of the Smithsonian Institution shall—

(1) cooperate with museums and their professional organizations in a continuing study of museum problems and opportunities, both in the United States and abroad;

(2) prepare and carry out programs for training career employees in museum practices in cooperation with museums and their professional organizations, wheresoever these may best be conducted;

(3) prepare and distribute significant museum publications;

(4) perform research on, and otherwise contribute to, the development of museum techniques;

(5) cooperate with departments and agencies of the Government of the United States operating, assisting, or otherwise concerned with museums; and

(6) shall report annually to the Congress on progress in these activities.

(b) There are authorized to be appropriated such sums, not to exceed $200,000 for any fiscal year, as may be necessary to carry out the provisions of this Act.

SEC. 3. The first paragraph under the heading "National Museum" contained in the Act of July 7, 1884 (23 Stat. 214; 20 U.S.C. 65), is amended by deleting the following sentence: "And the Director of the National Museum is hereby directed to report annually to the Congress the progress of the museum during the year and its present condition.".

Mr. MANSFIELD. Mr. President, I move that the amendments be considered en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator

from Montana? The Chair hears none, and the amendments are considered and agreed to en bloc.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was amended, so as to read:

Whereas the museums of the Nation constitute cultural and educational institutions of great importance to the Nation's progress; and

Whereas national recognition is necessary to insure that museum resources for preserving and interpreting the Nation's heritage may be more fully utilized in the enrichment of public life in the individual community: Now, therefore,

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 704), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of S. 1310 is to give recognition to the Nation's museums as significant cultural and educational institutions and to assist the museum field by authorizing the Smithsonian Institution to strengthen its activities of service to other museums. Specifically, it would provide for cooperative and coordinated programs of museum training, research, surveys, and publications, to be carried out by the Director of the National Museum under the direction of the Secretary of the Smithsonian Institution. Section 3 of the bill would repeal an obsolete reporting provision.

COST OF THE LEGISLATION

The Smithsonian has traditionally supported activities to benefit the museum community. Such activities are being carried forward on a modest scale. It is because they have proved so effective that this legislation is recommended. The Smithsonian estimates that the expansion of these activities, as specified in the act, would entail an annual expenditure of $200,000. On the basis of comprehensive testimony presented at the hearing on this legislation, conducted on June 24, 1965, by the Subcommittee on the Smithsonian Institution under Senator CLAIBORNE PELL'S chairmanship, this investment is much needed and would prove of substantial value to the Nation's museums, now numbering over 5,000 and visited by Americans an estimated 300 million times a year.

AUTHORIZATION OF PRINTING OF ADDITIONAL COPIES OF "THE PRAYER ROOM IN THE UNITED STATES CAPITOL"

The concurrent resolution (H. Con. Res. 451) authorizing the printing of additional copies of "The Prayer Room in the United States Capitol" was considered and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed fifty-four thousand two hundred additional copies of House Document Numbered 234 of the Eighty-fourth Congress, entitled "The Prayer Room in the United States Capitol", of which forty-three thousand nine hundred copies shall be for the use of the House of Representatives and ten thousand three hundred copies shall be for the use of the Senate.

SEC. 2. Copies of such document shall be prorated to Members of the Senate and House of Representatives for a period of sixty days, after which the unused balance shall revert to the respective Senate and House Document Rooms.

Passed the House of Representatives August 17, 1965.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 705), explaining the purposes of the concurrent resolution.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

House Concurrent Resolution 451 would authorize the printing of 54,200 additional copies of House Document 234 of the 84th Congress, entitled "The Prayer Room in the United States Capitol," of which 43,900 would be for the use of the House of Representatives (100 per Member) and 10,300 would be for the use of the Senate (100 per Member). The copies of the document would be prorated to the Members of Congress for a period of 60 days, after which the unused balances would revert to the respective House and Senate document rooms.

OFFICE SPACE FOR MEMBERS OF CONGRESS IN THEIR HOME STATES OR DISTRICTS

The Senate proceeded to consider the bill (H.R. 10014) to amend the act of July 2, 1954, relating to office space in the districts of Members of the House of Representatives which had been reported from the Committee on Rules and Administration with amendments, on page 1, line 3, after the word "That", to insert "(a)"; and, at the top of page 2, to insert:

(b) The second paragraph under the subheading "Administrative Provisions" under the heading "SENATE" in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 52), is amended to read as follows:

"Each Senator shall be entitled to office space suitable for his official use at not more than two places designated by him in the State he represents. The Sergeant at Arms is authorized and directed to secure for each Senator such suitable office space in post offices or other Federal buildings at the places designated by each Senator in the State he represents: *Provided*, That in the event suitable space is not available in post offices or other Federal buildings at one or both of the places desginated by a Senator within his State, such Senator may lease or rent other office space for the purpose at such place or places, and the Sergeant at Arms shall approve for payment from the contingent fund of the Senate vouchers covering bona fide statements of rentals due in an amount not exceeding $2,400 for any fiscal year for such Senator."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended, so as to read: "An Act to amend the Act of July 2, 1954, relating to office space in the districts of Members of the House of Representatives, and the Act of June 27, 1956, relating to office space in the States of Senators".

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 706), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

H.R. 10014 as referred would amend the Legislative Appropriation Act, 1955, as amended, by increasing from $1,200 to $2,400 per year the rental allowance of Members of the House of Representatives for office space in their home districts. The other provisions of law relating to the rental procedure applicable to Members of the House of Representatives (see below) would remain unchanged except for the omission of the obsolete terms "the Delegate from Alaska, the Delegate from Hawaii."

The Committee on Rules and Administration has amended H.R. 10014 by adding a new subsection to the first section of the bill revising the provisions of the Legislative Branch Appropriation Act, 1957, which relate to office space in the home States of Senators. The revised provisions would increase from $1,200 to $2,400 the maximum amount which could be paid in any fiscal year as rent for privately owned space for Senators in their home States, to correspond to the above-described change in the provisions relating to House Members. In addition, the revision contains other changes in the provisions relating to Senators designed to bring about uniformity in the provisions applicable to the two Houses. The most significant of these changes provides that Senators also will be entitled to office space in two places in their home States. Where available, this space will be in post offices or other Federal office buildings at places designated by the Senator, and in such cases no rent will be paid on privately owned space. If, however, suitable Federal space is not available at one or both of the places designated by a Senator, rent will be paid under the revised provisions on privately owned space at the place or places, as the case may be, where suitable Federal space was not available. Whether rental space is obtained at one or both of the designated places, the total amount that could be paid for any Senator during any fiscal year could not exceed $2,400.

Section 2 of the bill provides that the changes described above will be effective on the first day of the first month which begins after the date of enactment of the bill. Thus, for the fiscal year in which the bill is enacted only that part of the increased rental attributable to the remaining months of that fiscal year would be available.

The committee has also amended the title of the bill to reflect the changes made by its amendments to the text of the bill.

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

APPOINTMENTS BY THE VICE PRESIDENT

The VICE PRESIDENT. The Chair, pursuant to Public Law 84–689, appoints the following Senators as delegates to the 11th NATO Parliamentary Conference, to be held in New York City be-

tween October 4–9, 1965: CLAIBORNE PELL, Chairman, HARRISON A. WILLIAMS, MAURINE B. NEUBERGER, BIRCH BAYH, ROBERT F. KENNEDY, LEVERETT SALTONSTALL, KARL E. MUNDT, JACOB K. JAVITS, and CLIFFORD P. CASE.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. MONRONEY, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Acting Archivist of the United States, dated August 26, 1965, that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMATHERS:

S. 2513. A bill for the relief of Dr. Anselmo S. Alvarez-Gomez; to the Committee on the Judiciary.

By Mr. SCOTT:

S. 2514. A bill for the relief of Ching Han; to the Committee on the Judiciary.

By Mr. BENNETT:

S.J. Res. 110. Joint resolution to authorize the President to issue annually proclamations designating the Sunday of each year which occurs immediately preceding February 22 as Freedom Sunday and the calendar week of each year during which February 22 occurs as Freedom Week; to the Committee on the Judiciary.

(See the remarks of Mr. BENNETT when he introduced the above joint resolution, which appear under a separate heading.)

FREEDOM WEEK—FREEDOM SUNDAY

Mr. BENNETT. Mr. President, I am today introducing a Senate joint resolution to authorize the President to issue annually proclamations designating the Sunday of each year which occurs immediately preceding February 22 as Freedom Sunday and the calendar week of each year during which February 22 occurs as Freedom Week.

I think it most proper and fitting that a Freedom Sunday and a Freedom Week be proclaimed each year to act as a constant reminder to each of us of the heritage which we as Americans enjoy in this great land. Likewise, I think the most appropriate time for celebrating these events is during the week in which we commemorate the birth of our first President, George Washington.

It is with some pride that I announce that the suggestion for a National Freedom Sunday and a Freedom Week originated with the Salt Lake City Sertoma Club. For the past 6 years, the Utah Governor and the mayors of various cities have by proclamations set aside Freedom Sunday and Freedom Week, at the request of Utah's Sertoma Clubs. Similar celebrations have been held in other areas of the United States under the direction of civic and patriotic organizations such as Freedoms Foundation at Valley Forge.

The 450 Sertoma Clubs throughout the United States, Canada, and Mexico have a freedom program which dates back nearly half a century. Last year more than 5 million copies of the Declaration of Independence were distributed by Sertoma Clubs in the United States. The Utah Education Association has fully endorsed the freedom program as one which helps to instill better citizenship in our youth.

Mr. President, I ask unanimous consent that there be printed at the end of my remarks a letter dated August 27, 1965, which I have received from H. A. Zethren, president of Sertoma International, indicating that organization's executive committee has unanimously approved the sponsorship of a congressional resolution relating to Freedom Sunday and Freedom Week.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The joint resolution (S.J. Res. 110) to authorize the President to issue annually proclamations designating the Sunday of each year which occurs immediately preceding February 22 as Freedom Sunday and the calendar week of each year during which February 22 occurs as Freedom Week, introduced by Mr. BENNETT, was received, read twice by its title, and referred to the Committee on the Judiciary.

The letter presented by Mr. BENNETT is as follows:

SERTOMA INTERNATIONAL,
August 27, 1965.

Hon. WALLACE F. BENNETT,
U.S. Senate, Washington, D.C.

DEAR SENATOR BENNETT: The Executive Committee of Sertoma International, in its regular meeting of August 19, 20, 21, 1965, unanimously approved the activity of Dr. Levi E. Reynolds of Salt Lake City, in seeking the sponsoring and approval of a resolution of Congress, authorizing the President to issue annually, proclamations designating a Freedom Sunday. Therefore, as president of Sertoma International, and speaking for our entire membership, I respectfully join in requesting your sponsorship of the attached resolution directing such authorization.

We, in Sertoma, have observed over a period of years, the complacence and lethargy of our people generally in regard to that precious freedom heritage given us in our Declaration of Independence, and guaranteed to us in our Constitution. Our forefathers had such regard for these freedom principles, that they gave of their substance and even their lives to assure our children and succeeding generations, this freedom heritage and its related opportunities, as exemplified in our free enterprise system and its precious freedoms of speech and religious worship.

This complacence of our citizens generally, caused us in Sertoma, to feel that a gradual deterioration of these freedom principles can take place as the years go by, unless we have a means of creating a renewed awareness of this heritage of freedom. We also feel the need of implanting in the minds and hearts of our children, an appreciation and understanding of these basic freedom principles that have enabled us to achieve a stature as a nation that we now enjoy, and that have given us our abundant way of life.

This is the thing that has motivated us as an international service club organization, to establish our freedom program, that has been cited year after year by the Freedom's Foundation at Valley Forge. We feel, though, that there is so much at stake, that we cannot guard our freedom program as a selfish personal program and interest, but must share it with everyone as an American way of life program.

We, in Sertoma, are grateful for your understanding of, and dedication to, these great freedom principles, and your willingness to give of yourself in sponsoring this resolution.

I will be pleased to hear of any suggestions that you may have for us as an assist to you in your sponsorship of the resolution.

Sincerely,

H. A. ZETHREN,
President.

Mr. CARLSON subsequently said: Mr. President, I ask unanimous consent that a joint resolution introduced this morning by the Senator from Utah [Mr. BENNETT] lie at the desk for 10 days for cosponsors before it is referred to the appropriate committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPEAL OF SECTION 14(b) OF NATIONAL LABOR RELATIONS ACT—AMENDMENTS

AMENDMENTS NO. 442 AND 443

Mr. MUNDT (for himself and Mr. MCCLELLAN) submitted two amendments, intended to be proposed by them, jointly, to the bill (H.R. 77) to repeal section 14(b) of the National Labor Relations Act, as amended, and section 705(b) of the Labor-Management Reporting and Disclosure Act of 1959 and to amend the first proviso of section 8(a)(3) of the National Labor Relations Act, as amended, which were ordered to lie on the table and to be printed.

FOOD AND AGRICULTURE ACT OF 1965—AMENDMENTS

AMENDMENT NO. 444

Mr. MUNDT (for himself, Mr. YOUNG of North Dakota, Mr. CURTIS, and Mr. PEARSON) submitted amendments, intended to be proposed by them, jointly to the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, which were ordered to lie on the table and to be printed.

WASHINGTON WORLD CONFERENCE ON WORLD PEACE THROUGH LAW

Mr. McGOVERN. Mr. President, I ask the Presiding Officer to lay before the Senate a message received today from the House of Representatives, and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair lays before the Senate a concurrent resolution received today from the House of Representatives, which will be stated.

The legislative clerk read as follows:

H. CON. RES. 468

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the people of the United States welcome to their shores the jurists and members of the legal profession of these many nations and will join with them in this important effort to build world peace.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Dakota?

There being no objection, the concurrent resolution was considered and agreed to.

The preamble was agreed to.

ADDITIONAL COSPONSORS OF BILL

Mr. PEARSON. Mr. President, I ask unanimous consent that the names of Senators BAYH, CURTIS, TYDINGS, and YOUNG of Ohio be added as cosponsors of the bill (S. 2411) for the establishment of a commission to study and appraise the organization and operation of the executive branch of the Government, at its next printing.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSOR OF RESOLUTION

Mr. HARTKE. Mr. President, I ask unanimous consent that, at the next printing of the resolution (S. Res. 142) proposing a study to determine feasibility of utilizing trade credits issued by the International Monetary Fund to facilitate international trade, the name of the Senator from New York [Mr. JAVITS] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTION

Under authority of the order of the Senate of September 1, 1965, the names of Mr. BIBLE, Mr. CANNON, Mr. FONG, Mr. HART, Mr. JORDAN of Idaho, Mr. MCGEE, Mr. MCGOVERN, Mr. RANDOLPH, and Mr. TOWER were added as cosponsors of the concurrent resolution (S. Con. Res. 55) to express the sense of Congress relative to certain water problems confronting the United States and Canada, submitted by Mr. Moss on September 1, 1965.

FARM BILL INCLUDES WILDLIFE SERVICE PAYMENTS

Mr. NELSON. Mr. President, I am pleased that the farm bill we are considering today includes a new wildlife service payments program and a permanent wildlife Advisory Board to the Secretary of Agriculture.

The service payments program will compensate farmers and ranchers who agree to manage idled cropland for wildlife and permit the public to use it without charge for hunting, fishing, trapping, hiking, and other types of recreation. It also gives State fish and game agencies an opportunity to assist in carrying out the wildlife recreation aspects of our farm program.

The Advisory Board, chosen from members of wildlife organizations, farm organizations, State fish and game agencies, and members of the general public, will make recommendations on wildlife policy relating to farm programs.

These new provisions, which I proposed in July, were added to title V of the farm bill by the Committee on Agriculture. They create an unusual opportunity for the farmer or rancher, who needs more income, and the urban resident, who needs more outdoor recreation space.

This program provides the best opportunity in recent years to greatly expand outdoor recreation opportunity through a small dollar investment in our rural areas.

The need is clear. The demand for recreational space, based on the availability of all kinds of outdoor resources, is creating so much pressure that a substantial part of this increasing demand will have to be met on private land if it is met at all. This is because of resistance to public land acquisition in many areas and lack of sufficient public money to buy and manage the recreation space that is needed.

This new program has widespread support from leading farm and conservation organizations. It has enthusiastic endorsement of the Farmers Union, National Grange, National Wildlife Federation, International Association of Game, Fish, and Conservation Commissioners, Midwest Pheasant Council, Wildlife Management Institute, Southeastern Association of Game and Fish Commissioners, North American Wildlife Foundation, and the J. N. "Ding" Darling Foundation.

In addition to providing a change in land use policy from the standpoint of recreation, this program also can reverse the serious and longtime downward trend in farm game populations. The great concern of conservationists over this trend is not prompted so much by the need for increasing hunting opportunity as it is to maintain farm game populations in the face of increasingly intensive farming practices.

Farming practices are becoming more and more unfavorable to wildlife in most parts of the United States, but particularly in the Midwest. Two of our best game birds, the quail and the pheasant, are most seriously affected because they require nesting cover in hayfields and similar areas. But habitat for all kinds of small game—grouse, rabbits, doves, partridge, and many others—is disappearing.

The trend to more cultivated row crops such as corn and soybeans at the expense of small grains and hay is drastically reducing the acreage of these nesting cover crops. Crop rotation patterns have shifted away from the corn-oats-hay of recent years, eliminating the nesting cover it provided. Improved harvesting and weed control methods have sharply cut waste grain and weeds that once furnished food and cover for farm wildlife.

Cover for all types of wildlife also has been reduced by the trend toward "clean" farming: clearing of woodlots and brushy fence rows, burning and draining of marshy areas, indiscriminate spraying of weed and brush killers on fence rows and roadsides, and heavier grazing.

All these factors have cut small game numbers in our rural areas. And because of them our city sportsmen will soon have to look to properly managed private land for hunting opportunity. Farmers are willing and able to provide the management and hunting access that is needed in many instances, but they should have some assistance to do so.

This cropland retirement program, with the wildlife and recreation aspects properly emphasized, provides the incentives that will make that possible.

The wildlife service payments program goes hand in hand with the cost-sharing soil and water conservation practices that farmers would be expected to adopt in idling cropland. Such practices as pond building and tree and shrub planting help provide habitat for fish and wildlife, land use permanence for fur-bearing animals, and badly needed nesting and feeding areas for migrating waterfowl.

The service payments program will encourage positive programs of wildlife management on retired cropland and make several million acres available for public use. This management and use would be administered in cooperation with our State fish and game agencies, giving them an opportunity to apply their know-how to this aspect of the farm program.

In administering this provision, the Secretary will use these State agencies as his technical arm to work with farmers in adopting wildlife practices, designating desirable areas in which the additional payment should be offered, evaluating the worth of the land for wildlife use, and formulating rules governing the use of the land. Where necessary, these agencies will assist the Secretary in determining compliance.

The service payments program is not mandatory in any respect. A producer who did not want to open his land to public access under this provision would not be precluded from participating in the program, applying wildlife uses to the land, and permitting limited public access on a fee basis. In such cases, of course, he would not be entitled to the wildlife service payment. I think this is a creative opportunity to expand our wildlife habitat and recreation opportunities at the same time.

THE AMERICAN DREAM

Mr. PEARSON. Mr. President, Kansas is perhaps the only place on the face of the earth in which it was said that a newspaper was started before there was any news to print. Henry King, an early Kansas journalist of some renown and a lover of colorful exaggeration, made this statement in 1906. His reference was to the Kansas Weekly Herald whose first issue was published at Leavenworth on September 15, 1854.

It has been said, too, that Kansas has more newspapers per capita than any other State. Among these newspapers are the one- or two-man or family oper-

ated newspaper which still exist in Kansas performing a significant function even in this fast-moving world.

One of the finest small newspapers in the State of Kansas is the Washington County News of Washington, Kans. And one of the finest publishers and editors in Kansas is my friend, Tom Buchanan.

Recently an editorial appeared in this newspaper called "The American Dream" which comments upon the philosophies now prevalent in the minds of many of our citizens as engendered by the so-called Great Society. Within this editorial there is room for thought but there is more; there is hope in the fulfillment of the American dream and in the American people.

Mr. President, I ask unanimous consent that this editorial be inserted in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AMERICAN DREAM

"The great American dream." Millions of people left home and family to cross the ocean in search of it. Millions moved again from the coast to the Great Plains enduring hardships so severe we can only dimly imagine them—all in search of the "great American dream."

So the years have passed—only about 300 of them all told. And the dream has changed to a nightmare.

The lush prairies have been plowed under to make farmland that can't be planted. Forested hillsides have been ravished so that the rains rush down them in torrents filling streams with mud.

In the valleys huge cities sprawl in confusion, choked with traffic, bathed in acrid smoke. In the suburbs, ugly, treeless subdivisions mar the country landscape.

That freedom of religion so many sought has become freedom from religion. The farmer and the laborer and the businessman is controlled and taxed as European despots did in times gone by.

The automobile is a wonderful thing—until it is piled in a junk heap along the roadside.

Every man's dream of becoming his own boss is changed these days. In the Great Society every man dreams of getting a Government check each month—and most every man does.

Our patriot forefathers rioted in Boston harbor over a tax on tea. Their grandsons and great grandsons have dreamed up taxes that make the tea tax look like a tea party.

Is the "Great American Dream" lost forever?

Not if thinking Americans will reexamine themselves and their ideals. This great Nation can become greater still. But it can't do it as long as its goal is a Government check every month for every man.

Freedom and liberty and opportunity and happiness and all great things do not come from the Great White Father in Washington, D.C. They come from the people.

GRANT TO THE CHILDREN'S ORTHOPEDIC HOSPITAL AND MEDICAL CENTER IN SEATTLE FOR RESEARCH ON THE SUDDEN DEATH SYNDROME IN INFANCY

Mr. MAGNUSON. Mr. President, I am pleased to announce that last month the Children's Orthopedic Hospital and Medical Center in Seattle was awarded a 3-year grant in the amount of $144,000 by the National Institute of Child Health and Human Development for research into the cause and prevention of the sudden death syndrome in infancy. The dedicated and gifted staff of the Children's Orthopedic Hospital, under the guidance of two of Seattle's most outstanding doctors, Dr. J. Bruce Beckwith and Dr. Abraham B. Bergman, has been studying this tragic problem in conjunction with the University of Washington Medical School since 1963, when the State legislature authorized an appropriation for this purpose. The State of Washington is, I believe, the only State in which the legislature has assumed primary responsibility for the solution of this problem. The new grant from the National Institute of Child Health and Human Development contributes greatly to strengthening and enlarging current efforts to overcome this mysterious and fatal attacker of young children.

The sudden death syndrome, often abbreviated SDS by doctors, is commonly known as "crib death" or "cot death." It has no more precise name because, until now, its source and cause have eluded some of the most brilliant minds in the medical profession. Each year, the baffling phenomenon claims the lives of over 15,000 apparently healthy infants. It usually strikes during the night, in the first few months of life, but may occur in children up to the age of 2 years. Sometimes there is a minor inflammation or congestion in the lungs; sometimes blankets are displaced to suggest smothering. Researchers in New York, Seattle, and elsewhere found through autopsies that these conditions are almost never the cause of the sudden deaths, however. In a large number of cases, no unusual condition whatever could be discovered.

The strange and inexplicable nature of these deaths has led many parents to torture themselves needlessly with blame and guilt. But all research indicates that SDS strikes so unexpectedly that there is no remedy or preventive. Its victims can be the most healthy, thriving, and well-cared-for of babies. The Children's Orthopedic Hospital has emphasized that "SDS cannot be predicted, and in the light of present knowledge, there is no known way to prevent it." When parents are able to overcome their fears and join with others in seeking solutions to this problem, the hospitals and doctors engaged in research can make greater strides. Many generous and brave persons across the Nation have contributed their time and funds to the quest for a solution to the sudden death syndrome. The people of Seattle and the State of Washington are proud to have been in the forefront of these efforts. With the additional resources made available through the grant from the National Institute of Child Health and Human Development, let us hope the day will come speedily when this mysterious and tragic killer will no longer threaten infant lives.

Mr. President, I ask unanimous consent that the Children's Orthopedic Hospital's summary of the facts about the sudden death syndrome be included in the RECORD at the conclusion of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FACTS ABOUT THE SUDDEN DEATH SYNDROME (SDS) of Infancy

WHAT IS SDS?

SDS, commonly known as crib death, or cot death, accounts for about 15,000 deaths annually in the United States, and about 200 deaths in the State of Washington. The condition is best defined by describing a typical case. An apparently healthy infant, usually between the ages of 1 and 6 months, is put to bed without the slightest suspicion that things are out of the ordinary. Some time later, the infant is found dead. There is no evidence that a violent struggle has taken place, nor did anyone hear the baby struggling. An autopsy reveals at most, a minor degree of pneumonia or inflammation of the upper respiratory tract, but no lesion sufficient to account for death. Often the autopsy reveals absolutely no evidence of illness. However, in about 10 percent of such cases, careful examination does demonstrate a previously unsuspected abnormality, or a rapidly fatal infectious disease such as meningitis. It is for this reason that autopsies upon such infants are so important.

HOW CAN A HEALTHY BABY DIE SO SUDDENLY, WITHOUT OBVIOUS FINDINGS AT AUTOPSY?

SDS remains a mystery. We know so little about the nature of life, that unraveling the mystery of death can be extremely difficult. There are many theories as to the cause of SDS, but none of these has yet been proven. However, promising leads have been obtained, and real progress toward solutions of this mystery should be forthcoming in the next few years.

WAS IT MY FAULT?

In untold thousands of cases, a great deal of needless blame has been placed by the parents or other relatives upon one or the other parent, upon a babysitter who happened to be with the infant at the time it died, or upon the family doctor who pronounced the infant healthy shortly before it died. We know of families that have been broken up by repercussions arising from this problem. Therefore, it is important to make clear that SDS cannot be predicted, and in the light of present knowledge, there is no known way to prevent it. SDS occurs in the best of families, to the most skillful, careful, and loving of parents, and does not reflect upon the ability of the parents to care for their child. Indeed, we often feel that the victims of SDS are unusually robust, healthy, and obviously well cared for.

DID MY BABY SUFFOCATE IN ITS BEDDING?

It is not uncommon for victims to be found wedged into the corner of their cribs, or with the head covered by blankets. Under such circumstances, it is natural that the parents assume the baby smothered. However, identical cases occur under conditions where there was no possibility of smothering. The autopsy findings are identical in both types of cases. Therefore, we are convinced that, while the cause of death is not known, it is not due to smothering.

DID MY BABY SUFFER?

Experience with a large number of cases has shown that SDS can occur within 5 minutes. It is probably almost instantaneous. There may be some movement during the last few seconds of life, accounting for the displaced blankets or unusual positions mentioned above. However, the babies do not cry out, and very often show not the slightest trace of having been disturbed in their sleep. Therefore, we feel it is safe to conclude that SDS does not cause pain or suffering to the baby.

WAS IT SOMETHING INFECTIOUS?—IS THE IMMEDIATE FAMILY IN DANGER?

Unless the autopsy reveals a condition such as meningitis, the answer is no.

WHAT ABOUT BABIES I MIGHT HAVE IN THE FUTURE?

A rough calculation from available statistics suggests that about 1 in 500 liveborn babies will die of "crib death." According to the best available data, SDS is not hereditary. Therefore, it is probable that any future babies, in a family, will run no more than the random 1/500 risk. This, after all, is quite a small risk. More harm than good may be done to a subsequent child by excessive anxiety over SDS. As stated before, there is no known way to prevent its occurrence.

WHAT IS BEING DONE IN WASHINGTON STATE ABOUT THIS PROBLEM?

The State legislature in 1963 granted an appropriation to the University of Washington for studies on this problem. This is the only State in which the legislature has assumed primary responsibility for the solution of this problem. Utilizing these funds and additional support obtained by grants from other sources, the university and its affiliated teaching hospital, the Children's Orthopedic Hospital and Medical Center, have initiated an active research study aimed at the problem of SDS. This is an important study, affording advantages not available elsewhere in the Nation. Through the excellent cooperation of the parents of victims, we are able to document in a fashion hitherto not possible, the factors predisposing to SDS. Any benefits to future children arising from this study will be due in large part to the interest and cooperation of these parents.

In 1965, a group of concerned parents formed an organization, called Washington State Association for Preventing Sudden Infant Death, dedicated to assisting in various phases of this study. This group of parents are kept informed of progress in the research underway, and afford invaluable support to those parents of new victims desiring their help. Interested parents may contact any of the following:

Grace Paschall (Mrs. Edward S.), 628 129th Place NE., Bellevue, GL 4–1187.

Mary Beth Marx (Mrs. David), 8846 Southeast 40th, Mercer Island, AD 2–2228.

Rowena Lee (Mrs. Joseph A.), 4661 West Mercer Way, Mercer Island, AD 2–5521.

Mary Dore (Mrs. Fred), 3721 East Marion Street, Seattle, EA 20304.

Judy Mickel (Mrs. Wm. C.), 906 North 163d Street, Seattle, LI 6–2709.

Marie Jones (Mrs. Francis), 7304 33d NW., Seattle, SU 3–3314.

Jan Flint (Mrs. Richard), 16505 Southeast 30th, Bellevue, SH 6–7471.

J. Bruce Beckwith, M.D., Abraham B. Bergman, M.D., Children's Orthopedic Hospital and Medical Center, Seattle, Wash.

THE TFX AIRCRAFT PROGRAM

Mr. THURMOND. Mr. President, since 1963, the TFX aircraft program has been the center of a major controversy. In all probability, the TFX will be the most expensive single weapons program in history. The importance of this controversy, however, goes even beyond the cost of the TFX system, for the decisions involved and the procedures used will influence and affect our entire national defense effort.

As all the Members of this body are quite well aware, this matter has been the subject of an investigation by the Permanent Subcommittee on Investigations of the Committee on Government Operations of the Senate. Voluminous testimony was taken and published. The TFX has also been the subject of many newspaper articles directed at some particular aspect of the controversy.

Despite the availability of so much information on this subject, it was only recently that a relatively concise but thorough analysis of the entire matter was available. This concise analysis of the complete TFX controversy to date was prepared for and published by Barron's National Business and Financial Weekly in a series of three articles. These articles appeared in the issues of July 12, August 16, and August 30. In preparing and publishing this series of articles on the TFX, Barron's has performed a very useful and needed service to the country. I ask unanimous consent that the three articles be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, only the future can provide the answer to the ultimate expense of the TFX and to the usefulness of the aircraft to be produced. As is demonstrated by this series of articles, however, the management of this program from conception to implementation provides a lesson in what should not be done and errors to avoid in the field of defense management. One cannot avoid the conclusion that Mr. McNamara hatched a fiasco.

Nevertheless, not all the blame for the TFX fiasco can be saddled on the executive branch. The Congress has the responsibility for assuring that the taxpayers' moneys are efficiently and sensibly administered and that our Defense Establishment is adequate to the need. The Congress cannot abdicate this responsibility and expect to escape the responsibility for the messes such as the TFX.

EXHIBIT 1

[From Barron's National Business and Financial Weekly, July 12, 1965]

FLYING EDSEL?—THE TFX MAY WIND UP SATISFYING NEITHER BUYERS NOR SELLERS

(NOTE.—The controversial Air Force-Navy fighter plane, officially designated the F–111 is scheduled to take wing this year. This is the first in a series of articles by staff writer J. Richard Elliott, Jr., on the program.)

Fiscal 1966, which began inauspiciously on July 1, shapes up as a crucial year for the powers-that-be at the Pentagon. Congress soon will approve a defense budget of more than $45 billion. While $2.5 billion under last year's actual appropriations (including a $700 million supplemental "emergency fund" for Vietnam), the authorization scarcely can be described, even in Pentagonese, as a limited or conventional one—and is almost certain to be increased as the United States moves ever closer to full-scale conflict in southeast Asia. As it is, the Defense Department's new shopping list is an extraordinary mix of slashing economy and escalating procurement. On the latter score, one of the most controversial development programs in military history, the TFX (for Tactical Fighter, Experimental), is scheduled to emerge this year from research and development to full-fledged production status. Designated the Air Force-Navy F-111 fighter-bomber, the plane is this country's single biggest new Cold War weapon.

Since it was launched in 1963, the TFX program has cost roughly $900 million. Another $700 million has been earmarked for it in fiscal 1966. If the Pentagon buys as many F–111's as it now plans, the price tag through the early 1970's will run to at least $8 billion. Such a figure would make the TFX by far the most costly single piece of military goods in history. Some observers in and outside Washington expect the cost to rise above $10 billion before the program ends, and a few peg the ultimate bite even higher.

In a day when every defense dollar counts—or so insists Secretary of Defense Robert S. McNamara, the man who does the counting—such astronomical funding surely ranks the F–111 as something special. And so it is. The first military plane conceived, designed and developed on a biservice basis, the F–111, off its advance notices, rates as the most versatile aircraft in the Nation's growing arsenal of conventional weaponry. For the Air Force, it will serve as the primary tactical air-strike vehicle. For the Navy, a slightly modified, carrier-based model will seek to maintain air superiority at sea. What's more, the Pentagon is working to find further applications for what may be a truly all-purpose plane.

Nevertheless, there are signs that the $8 billion TFX program may prove something less than the biggest bargain in the budget. For one thing, despite all the bullish predictions of Mr. McNamara's band, the actual number of F–111's which the military intends to build has been shrinking. What undeniably is going up is the program's cost: each plane may run nearly 50 percent more than Mr. McNamara's famed "cost-effectiveness" experts had forecast. Worse still, the TFX has run into a number of technical snags which are likely to delay the program and diminish the effectiveness of the aircraft.

Under the best of circumstances, the Air Force and the Navy both would get less of a plane than either wanted. From the onset, compromises and tradeoffs were necessary to squeeze contradictory specifications into a single design. As things stand now, the Air Force, which had to give less ground and more urgently needs the new planes, seems firmly committed to the F–111. However, the Navy, unhappy with the TFX from the start, has become increasingly disenchanted. To keep the simmering controversy within the Pentagon from boiling over, more tinkering with the supposedly set program is certain—and just as certain not to please everybody. Like the ill-fated Edsel, in which Mr. McNamara also had a hand, the TFX may wind up satisfying neither buyers nor sellers. It also may lead to this long-overdue revision of Clemenceau's famous dictum: War is too important to be left to civilians.

As it shapes up on the drawing boards, of course, the F–111 is quite a chunk of airplane. Compared to any U.S. tactical fighter—or that of any other country—it's a superior machine, distinctly advancing the state of the art of military aerodynamics. Big as the B–29 of World War II, the two-man jet is designed to fly faster than twice the speed of sound, outmaneuver, and outclimb any present or potential enemy attacker, bristle with an unmatched assortment of bombs and missiles. Nor is that all. The first production plane ever to be fitted out with swept wings of variable geometry (they pivot back and forth in flight at the pilot's comand), the F–111 is unique in combining two aerodynamic capabilities which usually are mutually exclusive: supersonic swiftness and high lift. The plane, in other words, can operate just as effectively at very low altitudes and speeds as it can zoom in the farthest reaches of the wild blue yonder.

Hence, the TFX should find it a breeze to take off and land on aircraft carriers and austere jungle clearings. Its planned missions range from "loitering" for hours as a naval task force watchdog to tactical strike

sorties—dashing under the radar defenses of an inland target, dropping its payload, fighting off interceptors, and returning to its base for another bomb load. Moreover, it's so-called ferry range of up to 3,000 miles without refueling means that whole squadrons could wing their way to any spot on the globe with unprecedented swiftness. Whether as an Air Force plane (officially the F–111A) or its naval twin (the F–111B), in short, the TFX could be worth its weight in gold.

Moreover, this awesome aerial weapon, its advocates proudly claim, is a real bargain. Secretary McNamara, for one, has been defending the TFX conceptually, contractually, and costwise—before congressional committees virtually from the day in 1962 when he awarded its development to General Dynamics Corp. Whatever it finally costs, says the Secretary, by developing and building essentially one plane for both services (the components in the two versions are said to be 85 percent identical), rather than two separate aircraft, the Pentagon stands to save $1 billion.

The final cost, to be sure, must be reckoned not only in dollars and cents but also in terms of the Nation's security. It has been 5 years since the Air Force and Navy set down their respective requirements for new tactical aircraft. Both services plan to replace existing air fleets by the end of this decade. Accordingly, the F–111 must do more than prove it can get off the ground and flap its ungainly wings. It must convince the admirals as well as the generals that it can outperform anything the other side may come up with in the next 15 years or so. What's more, it must do so soon. Fiscal 1966, it appears, is the year of decision.

To all outward appearances, the program enters this critical period flying high, wide and handsome. Development schedules have been met, or exceeded by General Dynamics, the prime contractor, and by Grumman Aircraft, its principal subcontractor with responsibility for key airframe sections and final assembly of the Navy version. General Dynamics, in fact, has earned a tidy $800,000-plus in incentive bonuses on its early work. Its sprawling Fort Worth (formerly Convair) plant and Grumman's age-scarred facility on Long Island already are beginning to hum with wartime urgency.

In recent months, the airplane has visibly taken shape. At Fort Worth, five F–111A's have been turned out, as the project's prototype production now approaches a rate of one a month. In May, Grumman rolled out the Navy's F–111B No. 1 right on time. All told, F–111's have logged over 75 test flights. Under the original contract for R.D.T. & E. (research, development, test and evaluation), awarded 2½ years ago, the contractors are to supply another 13 Air Force and 4 Navy models experimentally, while ironing out production kinks.

Last April, without awaiting further results, the Pentagon put its money where its faith is by granting General Dynamics a production contract. The award covers an unusually long 4-year run. It calls for delivery of 431 F–111's through 1969, all but 24 in the Air Force version. Detailed negotiations still are in progress, but the Defense Department has disclosed that the order will exceed $1.5 billion. At the same time, it revealed to Congress that it plans an eventual procurement of some 1,600 F–111's.

What's more the TFX may attract demand from other sources. For one thing, the Pentagon has been busily hustling orders from our Allies. Thus, Australia has signed up for 24 F–111's for its air force, while Britain, which decided not to build a tactical fighter of its own, took an option on 120 of the planes. Even the West Germans have been approached by Mr. McNamara's salesmen.

The U.S. Air Force, meanwhile, which so far is committed to the F–111's only for its Tactical Air Command (TAC), is eyeing an adaptation for possible use in its strategic (SAC) squadrons as well. Both the Navy and the Air Force are considering a longer-range reconnaissance model. Finally, the Federal Aviation Authority, under its newly designated head, General William F. McKee (who was a key Air Force officer during the TFX source selection process), may decide to use the F–111 in extensive studies of the variable wing, for possible application on the stretched-out supersonic transport (SST) program.

THE NUMBERS GAME

The F–111, all this might suggest, is as hot a plane in the market as it is on paper. Like chickens, however, military aircraft in development never can be counted before they hatch. The ill-fated B–70 superbomber and, for that matter, the short-lived B–58 Hustler (which was to have kept GD's Fort Worth plant busy for years, until it was abruptly phased out in 1962) are two recent reminders that military and political minds can change. Indeed, the mind-changing process has been going on, with very little notice, in the TFX program, too.

Specifically, since 1961, the Pentagon has made several "adjustments" in its long-range planning for the F–111. During the bitter design competition of 1961–62, in which Boeing finally was eliminated, bidders were told to base their proposals on a total program of 1,460 Air Force and 231 Navy planes, or nearly 1,700 in all. Then, in mid-1963, when development had barely begun, the Navy unexpectedly upped its overall buy to 592 aircraft, putting the total for both versions well over 2,000. By early 1965, industry insiders, apparently with some assurance from the administration, were assuming a run of at least 3,000 F–111's.

But the program presented in closed hearings on Capitol Hill, a few months ago, revealed a distinctly different set of numbers. As noted, the planned total now is down to 1,600—of which 1,100 are to be F–111A's and 500 F–111B's. Actually, the Pentagon is contractually committed for the next few years, at least, to just 431.

This deterioration may not count for much over the long pull, of course. Indeed, the numbers themselves have been well hidden behind a smoke screen of Pentagon propaganda (over and beyond the call of military security). Behind the smoke, however, at lease two factors are discernible that appear to be cooling off some of the early enthusiasm. One is the mounting cost of the program; the other, mounting evidence that the plane itself may fail to measure up to expectations.

SOME PAINFUL TRUTHS

On the first score, recent top-secret congressional testimony revealed some hard truths that must have been particularly painful for the computerized whiz kids of the Pentagon. A major element in General Dynamics' winning proposal 3 years ago, Mr. McNamara later emphasized, was its "cost realism." Though submitting a higher bid than Boeing, General Dynamics was adjudged more realistic because it took into account probable future developmental problems. In the end, the company proposed to develop and build 1,700 TFX planes for a total price of $5.8 billion—roughly $3.4 million apiece.

Experience, however, has caused the customer to go back to his computers. The cost per plane over the life of the program now is figured at about $4.5 million—a 30-percent markup in 30 months. (According to one admiral, the first four production F–111B's—that part of the Navy's share funded in the fiscal 1966 budget—will average $35 million apiece.) A realistic projection, though, still seems hard to come by. For since the total program, by the latest Pentagon estimate, will cost $7.78 billion, the 1,600 airplanes involved actually will average out at nearly $4.9 million each. Furthermore, no one believes the end to escalation is in sight.

BACK TO THE DRAWING BOARDS?

The spiraling costs, as it happens, trace to both unexpected technical difficulties and changes required in the winning design to meet minimum operational specifications. These problems are far from overcome at the moment; some are proving particularly stubborn. In fact, there is a noticeable undercurrent of concern in Washington—evident at recent hearings, if not in the corridors of the Pentagon—that, the F–111 may fall short of Air Force hopes and almost certainly will prove less of an airplane than the Navy had bargained for.

Ironically, such fears were foreshadowed in the stormy TFX probe conducted in 1963 by Senator JOHN MCCLELLAN'S Permanent Investigations Subcommittee. While raising a number of questions about the procedures by which the contractor was selected, the hearings yielded some revelations that won scant attention in the general press. The most significant of these was that Boeing's losing design outscored the winning one in most performance characteristics and, accordingly, was the overwhelming choice of the top service brass, including the technical men assigned to evaluate the competing proposals. Now, 2 years down the road, the General Dynamics airplane is shaping up as vulnerable for weaknesses pinpointed by the Pentagon's own experts.

For one thing, it is seriously overweight. This could both shorten the Air Force's ferrying range and hobble the Navy's ability to get on and off its carriers. TAC wanted an aircraft that could span the Pacific with a single refueling (as Boeing's design promised to do). The F–111A may, however, need as many as three refuelings.

The Navy had placed a maximum limit on "gross takeoff weight" (which includes fuel, equipment, bombs and crew) of 50,000 pounds. It was forced to up the ceiling to 55,000 pounds, in a tradeoff, to give the Air Force better supersonic dash qualities. When the General Dynamics proposal was declared the winner, its design already blueprinted a plane which the computers said would weigh 63,500 pounds (1 ton more than Boeing's).

Actually, despite heroic efforts by both major contractors to cut every unnecessary ounce, the first F–111B rolled off the assembly line at a whopping 70,000 pounds. One result is that the Navy is spending $170 million this year to strengthen 2 of its 15 attack carriers, in order to accommodate the unexpectedly heavy plane; at that, only 9 of the presently commissioned flattops will handle it.

SPUTTERING ENGINE

Nor is overweight the program's only headache. The F–111's twin engines, built by Pratt & Whitney (division of United Aircraft), have been kicking up. Pratt & Whitney was selected in the competition 3 years ago because its motor was in an advanced stage of development; a rival proposal by General Electric (incorporated in Boeing's first bid) was ruled out because it would not be ready for 2 years. But, in ground tests to date, the Pratt & Whitney engine has failed to achieve either the power or the endurance demanded by the military.

Moreover, "marrying" the engine to the plane has caused unforeseen aerodynamic problems. Owing to insufficient wind-tunnel testing, the estimates of air flow at the jet intakes used by General Dynamics engineers proved far off the mark. To date, redesign of the inlet area has failed to correct the difficulty. Unless it is corrected soon, the first slippage in the overall TFX program schedule will result. So admits no

less an authority than the F–111's project director at Wright-Patterson Air Force Base, Maj. Gen. John L. Zoeckler.

Finally, the Navy's version of the F–111 has hit still another snag—this one peculiar to its weapons-system makeup. The trouble lies in a new missile called the Phoenix. This deadly bird, for the admirals, is a vital part of the program. The F–111B could be outfitted with conventional missiles (such as the Sidewinder and Sparrow); however, only armed with the longer-ranged, more sensitive, air-to-air Phoenix would the fleet enjoy the range and punch it deems absolutely necessary to do its job in the 1970's.

Under development by Hughes Aircraft (like Pratt & Whitney, as associate price contractor dealing directly with the Government), the Phoenix already is a year behind schedule. The big drags: an inadequate guidance system (built by the usually reliable computer manufacturer, Litton Industries); and an inability, on the part of the General Dynamics-Grumman team, to find a way to mount the missile efficiently on the aircraft.

TO BUY OR NOT TO BUY

To be sure, the Navy, according to Pentagon sources, can wait until after 1970 before it must begin phasing out its F–4 jets. By contrast, TAC ought to start replacing F–105 squadrons in the next few years. Be that as it may, the delays and redesigns inevitably will add vastly to the cost of the TFX. Hence, Secretary McNamara's cost-effectiveness inevitably will diminish further on a weapons system already difficult to justify in terms of dollars and cents.

Significant, then, are statements from top military brass (transcribed at the appropriations hearings) purporting to explain why both services lately have altered their plans for making the F–111 operational. The Air Force, Congressmen were told, will stretch out its modernization because it finds that it can get more mileage than expected out of present equipment. The Navy, for its part, decided against replacing today's carrier planes with F–111Bs on a one-for-one basis. Its reasoning: rather than doubling the fleet's fighter power, it could maintain its present strength by merely subbing one F–111 for every two F–4s—clearly, the TFX is twice as good as its predecessor—or perhaps twice as expensive.

The hard fact is that the Navy—while officially still in line for 500 of the planes (to the Air Force's 1,100), according to the Pentagon's master plan—has agreed to take only 24 of that first 431 actually on order for delivery through 1969. Plainly, the Navy still has not made up its mind whether to go all the way with the TFX. In a heavily censored transcript of the recent hearings, the admirals revealed their doubts. "We need what (the F–111) can provide us, * * *" admitted Rear Adm. W. I. Martin, Deputy Chief of Naval Operations (Air). "But we would like to fly this airplane sufficiently to make sure that it would be a completely useful aircraft before we make a commitment for procurement."

The official administration view, to be sure, remains completely free of doubts. This undeviating cheerfulness, in part, may stem from a curious memorandum distributed by Assistant Secretary of Defense for Public Affairs, Arthur Sylvester, last year. The gist of the message was an order that henceforth, in all publicity or public statements, the F–111 will be described in such a manner as to make it clear that (it) will meet the requirements of the Air Force's tactical air mission, the Navy's carrier-based mission and the fighter mission of the Marine Corps.

IRREVOCABLY COMMITTED

The Pentagon's civilian secretariat, in short, is irrevocably committed to the success of the TFX as it has been to few other projects in recent history. The F–111A, said Secretary McNamara recently, "is proceeding very well indeed." As to the F–111B, while it is "plagued by two difficulties (weight and the Phoenix) * * * I have no doubt that with the weight reduction program and other possible modifications we will be able to develop a very satisfactory aircraft for the Navy."

Conceivably, Mr. McNamara's confidence ultimately will be justified. At the moment, though, the snags in the TFX program, as Barron's will detail further, make this an open question. After all, confidence and determination—even when combined with a decade of planning and the efficiency of Detroit—were not enough to save the Edsel.

[From Barron's National Business and Financial Weekly, Aug. 16, 1965]

TOO MUCH, TOO LATE: THAT ABOUT SUMS UP THE CURRENT STATUS OF THE TFX

(NOTE.—This is the second in a series of articles on the controversial F–111 Air Force-Navy fighter plane, by staff writer J. Richard Elliott, Jr.)

As President Johnson bustled about Washington last week, signing an $8 billion housing bill here and authorizing a $280 million health and research center there, briefing contingents of Congressmen on foreign policy at one moment and creating at the next a task force "of the great experts of this Nation * * * to tell me and tell America where we are going and how we are going to get there," the Great Society hurried toward is rendezvous with destiny. Meanwhile, at the Pentagon, the lights were burning late, as the generals and admirals sought to make vital command decisions on how to deploy the additional $1.7 billion in emergency funds—downpayment on a far larger sum—earmarked for southeast Asia. According to reports from the Capitol, Defense Secretary McNamara suddenly must spend billions to buy old—10 years or more, in some cases—but available (and, fortunately, reliable) U.S. aircraft like the Boeing B–47, Republic's F–105, McDonnell's F–4 (the "Phantom II"), Lockheed's "Starfighter," and perhaps the propeller-driven Douglas A–7. Even the highly touted whiz kids, it appears, cannot fight today's wars with tomorrow's weapons.

Wherever else it may be going, the United States is marching off to war—inadequately armed and equipped as usual. Nobody doubts that the Nation's so-called military-industrial establishment sooner or later will do the job. But what a commentary on the preparedness policies launched at the Pentagon 5 years ago and hailed, even today, on nearly every side. Specifically, when Secretary McNamara and his computers took over at Defense, plans for a new Air Force variable-wing plane, designed to cost around $2.5 million apiece, were ready for his signature. The Navy was equally eager to launch development of a new fighter for its carrier-based tactical squadrons. Instead the whiz kid from Ford conceived the TFX—one all-purpose aircraft for both services. After nearly a year of inter-service opposition, the Secretary of Defense convinced the Chiefs of Staff to embark on a joint-development effort. Although one contractor, Boeing, was ready with an acceptable design, 13 months later, after an unprecedented four-round source-evaluation marathon, another company, General Dynamics emerged with the contract. A year after that—following a stormy but inconclusive investigation by a Senate committee—plans were finalized and work begun.

Today, as Barron's has reported and is prepared to detail much further, that development program is beset with technical, operational, managerial and financial difficulties. The flying Edsel, quite simply, is yet to take wing in meaningful numbers. The incredible program is expected to cost at least $8 billion, assuming it continues as planned; its ultimate cost remains to be seen. What the 3-year delay wrought by Secretary McNamara and his band has cost the Nation in battle readiness, however, is clear.

In the jolting words of John Stack, "father of the TFX" (and now vice president and director of Republic Aviation): "There could have been a work statement on the variable-wing tactical fighter plane in 1960. They could have been flying prototypes at least by 1963. Here you are just now flying prototypes in 1965."

In a Pentagon that prides itself on decisionmaking the TFX has been one long chronology of delay. Its whole story has never been told—but it's well worth telling today. The Tactical Fighter, Experimental, originated in a concept evolved by staff members of the National Advisory Committee for Aeronautics (NACA), predecessor to the post-sputnik NASA. Directed by Mr. Stack, the NACA/NASA team developed a basic design—called variable geometry—for an aircraft with movable wings. When extended straight out from the fuselage, the wings afforded high lift as well as aerodynamic control at low altitudes, swept all the way back, they formed the classic Delta configuration of the supersonic jet; pivoted to a position somewhere in between, they permitted both long-distance medium-speed cruising and supersonic dashes at treetop level. Hence, one plane that could perform a variety of missions became theoretically possible.

Before long, Mr. Stack's group had aroused the interest of all three military services. Sensing the mounting interest, the aerospace industry plunged into competition en masse. General Dynamics began small-scale testing at Langley Field's wind tunnel late in 1959; Boeing, ahead of the pack, had been working closely with Stack's team (at its own wind tunnel in Seattle) since early 1958. By mid-1960, the air arm indicated it was ready to go ahead with a $2.2 billion program for development and production of TFX fighter-bombers. Deliveries were to begin in 1965; the cost of some 840 planes was projected at around $2.6 million each. (As noted last month, the TFX now is expected to become operational for the Air Force no earlier than 1967—and not before 1969 for the Navy, if at all—and is costing some $5 million per plane.)

With a presidential election looming, however, the Eisenhower administration decided to defer a final decision. President Kennedy and Secretary McNamara came on the scene with ideas of their own—controlled response and cost effectiveness, to name two. By the time the new Defense chief got around to reviewing the TFX program, the variable-wing Air Force plane seemed a once-in-a-lifetime opportunity to put such theories to the test. In brief, the notion struck Mr. McNamara that a single TFX could be designed that would meet the requirements of all three services.

Army, Navy and Air Force rebelled at the idea. The Navy's concept of a light tactical plane for carrier use would weigh at most 50,000 pounds, said the admirals, and pack bigger wings than those the Air Force had blueprinted on its 75,000-pound version. (The Army, for its part, needed nothing so big and costly as either model.) Both services feared a long and inconclusive struggle over conflicting technology. The Air Force particularly was upset over the likelihood that now it would not get its new planes by 1965.

After a long, hot summer, Mr. McNamara had the last word. On September 1, 1961, he sent out a memo, authorizing the start of a joint development program. Leadership and design specifications would be furnished by the Air Force, but the Navy would pass on any final version. The memo, drafted by one of the top civilian aides to Mr. McNamara, A. W. Blackburn, was historic for

another reason: it introduced the estimate of a $1 billion savings (over the cost of two separate development programs) should the project succeed.

The military and technical experts now regrouped themselves at Wright-Patterson Field, in Dayton, Ohio. Mr. Blackburn, a graduate of both the Naval Academy and MIT, as well as an experienced aeronautical engineer and jet pilot, became the Pentagon's resident expert on the TFX. Astonishingly, he has admitted that the famous billion-dollar-savings figure—which was to become the main prop for the Defense Department's rationale—was estimated without the aid of a computer, as nothing more than a rough order of magnitude. From first to last, moreover, he was a stanch supporter of the concept of one plane for two services. Thus it's significant that when he resigned from the Defense Department in 1963, he took exception to the way it had all come out—the Secretary's selection of General Dynamics as prime contractor. "There is no real, supportable case to be made for his choice," Mr. Blackburn wrote, "on the grounds of operational, technical, management, or cost considerations."

COSTS PLUS

But that's another part of the story. Mr. McNamara's decision, after all, was based on cost realism. In testimony before the Senate Permanent Investigations Subcommittee, chaired by Senator JOHN MCCLELLAN, Democrat, of Arkansas, which investigated the TFX contract award throughout most of 1963, he enumerated three main conditions for the winning proposal. They were: (1) Satisfaction of both services that "a significant improvement to their tactical air capabilities" could be achieved by the single TFX; (2) "minimum divergence from a common design" (the concept that came to be known as commonality), "compatible with the separate missions of the Air Force and Navy to protect the inherent savings of a joint program"; and (3) "demonstrably credible understanding of costs (by the contractor) both for development and procurement of the complete TFX weapon system * * *."

After the marathon 13-month technical evaluation, both final proposals were considered "acceptable" to both services—that is, they both met the first of Mr. McNamara's conditions. (The Boeing bid—which made use of such state-of-the-art breakthroughs as titanium alloys, thrust-reversers and overhead engine mountings—was adjudged vastly superior in nearly every aspect of performance, as will be seen.) General Dynamics was adjudged better on the second or so-called commonality factor. Despite a more complex design, finally, Boeing's bid was the lowest—and its proposal spelled out what appeared to be a thorough and credible understanding of costs.

BEHIND THE LOW BID

There were several good reasons why. First, Boeing had established a cost record far superior to that of General Dynamics. Boeing had come up with fewer overruns; General Dynamics, contrariwise, had been plagued by them in several of its military programs. In commercial competition, where costs are even less flexible, Boeing's dominance in the market was clear.

In addition, Boeing—a more profitable concern—could afford to cost its administrative expenses below its rival's. Boeing further proposed to develop and build the fighter-bomber at one plant, in Wichita, while General Dynamics' plans called for splitting the final assembly between its Fort Worth (Air Force-owned) facility and Grumman's plant in New York.

Boeing also proposed to use a production technique which it had perfected (and gained no little fame thereby in the trade) on other large-volume contracts involving similar but not identical planes. Rather than investing in separate tooling for uncommon (but comparable) parts, the firm would use the same computer-directed tools, simply equipping them with two sets of programed instructions. The practice had enabled Boeing to turn out cheap KC–135 tankers with tools that doubled on B–52 bombers.

Finally, Air Force statistics (developed on many other contracts with both concerns) showed a wide disparity in both labor rates and productivity at Fort Worth and Wichita. From 1956 through 1961, Boeing at Wichita consistently ranged well below the industry's average of direct manpower hours per pound of aircraft produced. By contrast, General Dynamics/Fort Worth had required between double and triple the industry's average workforce per pound. (The Pentagon claims that Fort Worth typically produced more sophisticated aircraft than Boeing's bombers and tankers, but this scarcely would explain so marked a different; bombers and tankers, too, are complex pieces of machinery.) As to wage rates, an average difference of 72 cents hourly existed between Forth Worth and Wichita. Projected on a program involving nearly 2,000 airplanes (the figure then likely), wages alone gave Boeing a potential cost advantage of several hundred million dollars.

CAN FIGURES LIE?

Thanks to such factors, the Seattle-based company proposed a total price for development and production of 1,700 TFX aircraft of $5.36 billion; General Dynamics came up with a figure of $5.46 billion. Air Force evaluators quickly discovered that the two bidders were really further apart, since the respective proposals failed to include all the necessary program costs in comparable ways. Adjusting the two bids, the Air Force put Boeing's proposal up to $5.39 billion; General Dynamics shot up to $5.8 billion.

The two proposals differed even more strikingly in their respective bids for the research, development, test and evaluation (General Dynamics) contract immediately at stake. Boeing's price was $466.6 million; adjusted by the Air Force to include comparable support items and accounting methods, it became $576.8 million. General Dynamics bid of $543.5 million, after adjustment, became $711.2 million—over 23 percent higher. The Wright-Patterson valuation team, meanwhile, made its own independent estimates of what the programs would cost—roughly $900 million in either case, but with Boeing's still likely to be the lower by a meaningful amount.

The team, however, made up of outstanding technical experts, focused on technical and operational criteria in the two design proposals, and on that basis unanimously and consistently recommended Boeing. Their evaluation was passed along, in a kind of ad hoc chain of command, to a Source Selection Board, composed of senior military and naval officers (mostly of general or flag rank). The board was charged with making a joint recommendation, on behalf of both services, directly to the service Secretaries. Traditionally the judgment of such a board is accepted as conclusive.

UNANIMOUS VOTE

Late in October 1962, for the fourth time since the previous January, the Source Selection Board cast a unanimous vote for Boeing's lower-cost bid. But, Mr. McNamara's band of civilians found the word from the admirals and generals still far from persuasive. In particular, the Secretary of Defense was troubled by what appeared to his computer-like mind to be an obvious contradiction.

Here was Boeing, with a clearly lower bid. Yet according to the evaluation, General Dynamics was supreme in the matter of commonality. How could Boeing propose to make two different airplanes, cheaper than General Dynamics could turn out one? What had become of the billion dollars which commonality was designed to yield? Still worse, how could the Air Force evaluators, in projecting realistic costs, possible have come up with the same basic contradiction, showing General Dynamics bid relatively higher? Boeing's costs, he decided were suspect. The decision, in effect, had been dragging on now for nearly 3 years. It seemed at last to be on hand. In order to resolve this dilemma, Secretary McNamara decided a few more days could be well spent. He ordered Air Force Secretary Eugene M. Zuckert to find the answers.

MISSION TO DAYTON

The Air Force Chief promptly dispatched James E. Williams—no accountant, but an assistant to the deputy assistant secretary—to the remote outpost at Dayton. After several days of poring over the books and sipping coffee with the natives at Wright-Patterson, Mr. Williams returned to Washington and, on November 17, 1963, dutifully fired off a memo to his chief. Briefly, he reported that he was "impressed with the apparent thoroughness" of the Air Force cost estimates, and sought to explain why they came out lower on Boeing's evaluation than on General Dynamics'.

"The Air Force estimates," he wrote, "in each case represent a much more realistic estimate of what the presently defined program will cost." However, "negotiations with both contractors (though not recommended) would result in a lower contract price with Boeing." This was so because (1) they'd start at a lower level, (2) spread their overhead on a larger base, (3) hourly rates at Wichita were significantly lower, (4) Boeing proposed large quantity tooling rather than just enough to get through the research, development, test, and evaluation phase, and (5) Boeing's past performance shows they can beat the industry man-hour averages. This fact plus the company desire to support this reputation will tend to contribute to a lower contract price.

Having taken note of several reasons for Boeing's outstanding bid, Williams somehow managed to write this contradictory and almost incomprehensible summary. Because it came closer to the high Air Force estimates, "The General Dynamics cost proposal is more realistic than the Boeing. * * *According to General Dynamics, the TFX fits somewhere between the F–106 (a General Dynamics fighter plane) and the B–58 (a General Dynamics bomber) and their proposal reflects this thought throughout. Boeing, apparently, approached the proposal in a more thoughtful manner. * * * Boeing actually submitted more detail in support of their cost. Measured by almost any cost standard the Boeing cost is low. The reputation of the pricing people at Boeing argues against gross mistakes. The whole Boeing cost proposal is set in optimism to the extent of bragging on company capability."

Williams signed off the memo with this parting shot: "As I was leaving, they (the Wright-Patterson people) gave me a quote which seemed appropriate enough to pass on to you: 'There is hardly anything in the world that some man cannot make a little worse and sell a little cheaper, and the people who consider price only are this man's prey.'"

MEMO FROM ZUCKERT

This incredible document seemed to resolve the matter in Mr. Zuckert's mind. On November 21, 3 days before the public announcement, Secretary Zuckert sat down to write his own memorandum for the record. This 5-page paper—signed also by Navy Secretary Fred Korth, reviewed by Deputy Defense Secretary Roswell Gilpatric and approved by Secretary McNamara—became one of the most celebrated exhibits in the TFX case. It seeks to explain and justify the choice of General Dynamics. Whether it also served as an aid to Mr. McNamara in

reaching his own final decision never has been clear; ostensibly, it is the recommendation of the two service secretaries to their superior, and thus a basis for his choice. Even in the memo-mesmerized Pentagon, however, it is hard to believe that so weighty a matter could be resolved on such flimsy evidence.

For the famous Zuckert memo is shot through with inconsistencies, inaccuracies, and illogic. For example, it begins by acknowledging the competition as by far the most comprehensive source-selection evaluation in our experience—failing to mention that the results of the officially designated source-selection and evaluation teams had been summarily rejected.

Then the memo proceeds to demonstrate how "the TFX design represents a significant advance in the state-of-the-art, and results in a weapons system superior to those now in production for either service." As proof it offers a comparison of the TFX and the F–4C, using the General Dynamics version of the TFX as an example. Unfortunately, the figures used were not those for the General Dynamics plane but, curiously, similar to those from the Boeing design.

This was hard to explain to the inquisitive McClellan panel, but Secretary Zuckert tried. "Perhaps this has happened to you Senator," replied the Secretary glibly. "What happened is when the last draft of this memorandum came out of the typewriter, I thought it would be better to have the General Dynamics figures, seeing the decision went for General Dynamics. I sent somebody out to get the figures. They took them off the chart that was developed * * * when we were comparing representative performances."

FACT VERSUS FANCY

According to the Air Force team's evaluation—which never found its way into the memo or any of the other data all four Secretaries claim to have studied—Boeing enjoyed a spectacular superiority in performance. Though the actual figures still remain classified, here's a sample of how the respective General Dynamics and Boeing data compared: Ferry range, Boeing's, 1,100 miles greater. Reaction time (to an alert) in subzero climates: Boeing's, twice as fast. Landing distance required, over a 50-foot obstacle: Boeing's, 590 feet less. Weight of Boeing's Navy version: 2,208 pounds less. Navy loitering missions: Boeing's outlasted General Dynamic's plane by 30 minutes on one mission, by 5½ times on the other. On intercept missions, Boeing's range was 177 miles greater. In ordnance loading capability, Boeing's was 11 percent greater with wings tight, 69 percent greater with wings outstretched. Ordnance-variety carrying capability—Boeing's higher in every weapon from nuclear bombs to air-to-air missiles, by factors ranging from 44 to 250 percent.

Off to so damaging a start, the Zuckert memo never slackens its pace. It concentrates on proving that General Dynamics' plane would in fact turn out to be both better and cheaper. Here is the conclusion: "We should accept the General Dynamics proposal on the basis that it proposes the greater degree of commonness, contemplates the use of conventional materials, provides the higher confidence in structural design and offers the better possibility of obtaining the aircraft desired on schedule and within the dollars programed." (The questions of materials and structural design, relating to factors to be reviewed by Barron's, refer to technical choices between the two designs which affected weight and performance. In both areas General Dynamics has been having problems with its actual F–111 program 3 years later. Neither convention nor confidence has helped solve them.)

THAT COMMON TOUCH

First and foremost in Secretary Zuckert's judgment was that trusted old test of commonality. Despite a concession that "the Air Force gives a significant edge to the operational characteristics of the Boeing aircraft (and) the Navy also favors Boeing's operational features but to a lesser degree * * *," the memo finds that Boeing is, in effect, proposing two different airplanes from the structural point of view. (In terms of configuration and appearance to the naked eye, it should be noted—as some of the Congressmen did—Boeing's version actually looked more alike than General Dynamics'.)

To prove his point, Mr. Zuckert cited figures purporting to show the percentage of total parts that were identical for the two planes in each proposal: they gave an 85 to 60 percent edge to General Dynamics. Even qualified on his own terms, these figures turned out, after scrutiny by the McClellan committee staff, to be inaccurate, too. Moreover, what is the real test of commonness? As Boeing spokesmen testified when they finally got their chance, on the basis of other possible comparisons—such as number of parts similar, and made by identical tools—the Boeing design came out ahead.

The Zuckert memo, to this day regarded as a kind of white paper for the McNamara decision, more than anything else stirred the McClellan committee into action. The Senators wanted to know just what these details of cost realism really were, since the record seemed to be overflowing with data of all sorts except the financial. Soon after the TFX hearings had begun, Senator McCLELLAN himself called in the Government Accounting Office for help. On April 2, he wrote to Joseph Campbell, the Comptroller General:

"An important factor in the evaluation of the proposals and the determination to award the contract to General Dynamics Corp. were cost standards * * * prepared by the Air Force against which the proposals of the bidders were applied * * * as a method of evaluating (their) reliability * * *. The subcommittee would like to have the GAO make an independent review of the cost standards prepared by the Air Force and used by the Department of Defense in making its decision."

Senator McCLELLAN thoughtfully sent a copy of the letter with a request for Pentagon cooperation along to Secretary McNamara. Almost immediately, the Secretary himself replied to the Senator with the news that has since become an accepted part of the McNamara mystique but at the time, 4 months after the contract award, was quite stunning.

"The fact is," Mr. McNamara wrote, "at the secretarial level the cost estimates prepared by the Air Force were considered so unreliable * * * that they could not be used as a foundation for the source selection."

The Senator from Arkansas is not easily fazed. Wryly, he addressed another letter to the Comptroller General: "In view of the letter from the Secretary of Defense, my request should be modified. * * * It is requested that you review the cost studies used at the secretarial level (to determine why the Air Force estimates were 'unreliable') * * * (and) I would like you to review the cost estimates and related cost data actually used by the Secretary in reaching his decision."

THE MISSING RECORDS

Two weeks later, a reply came back from Mr. Campbell that caused even Senator McCLELLAN to raise his shaggy eyebrows. It reported that the Defense Secretary told GAO that the Air Force estimates dealt with a "hypothetical airplane," and so were useful to the Pentagon in gaging "the probable cost of the total TFX program," but not for comparing "the inherent differences in the two designs." The Comptroller General added: "However, we have found no independent or additional cost estimates covering the TFX program as a whole, and the Secretaries have informed us that none exist. Both Secretary McNamara and Secretary Zuckert have stated to us that the conclusions reached by them were on the basis of their judgment, rather than on independent cost studies. * * * We therefore do not believe any further review * * * on our part would serve any useful purpose."

The subcommittee reacted quickly to this distressing account. On May 1, the Government's chief auditor and a number of his examiners were summoned. A team of GAO experts, Mr. Campbell testified, after talking with Secretary McNamara for over an hour on April 16, had determined that no cost records, indeed, were anywhere to be found at the Pentagon. They then were advised by a general in the corridor to take their search to Wright-Patterson Field. Consequently, the GAO head sent two of his top auditors to Dayton.

"We found that the Air Force files contain a wealth of raw data on completed and recent aircraft programs," one of the investigators told the fascinated committee members, "but Colonel Linerooth's team could not show us specifically how the Air Force estimates were developed or how the raw data were applied." Who was Colonel Linerooth? He was head of a special team sent out by the Pentagon in advance of the GAO agents (4 months after the decision was made) trying, as Senator McCLELLAN himself paraphrased the account, "to reconstruct the records or do something."

The worksheets used by the evaluation team to transform raw data into estimates were in fact a missing link. They "had served their purpose," the GAO men said they were told, and apparently had been "destroyed in accordance with their normal procedure."

Normal procedure? "As far as I personally am concerned," the Comptroller General put in, "I was surprised that all records having to do with this matter were not more carefully preserved and available for inspection by our own Office." At another point he added: "I would expect the fullest kind of documentation in this case for two reasons. One is the enormous expenditure involved, and second * * * (if it were I) in case I were not around to explain something, the supporting documents would be available." Were you surprised? Senator McCLELLAN asked of Mr. Campbell. "I would have suggested that our Office not get into this if I did not think that the documentation was available * * * with respect to financial costs," he replied succinctly.

"ROUGH JUDGMENTS"

There was only one place in the Defense Department where the cost data could be found. "When it came time to examine the records and we had access to anything we wanted," reported one member of GAO's staff, "Secretary McNamara stated that he had the figures in his head, indicating to us that he did not have them on paper." To make sure they had heard right, the GAO men asked a McNamara man, David E. McGiffert, who was present at the meeting and took notes, to furnish them with a copy of what was said.

In the form of a memo, naturally, the McGiffert account read in part: "The Secretary said that after finding the Air Force estimates inadequate * * * he had made rough judgments of the kind that he had made for many years with Ford Motor Co. It did not take very much time to do this. Neither the contractors' nor the Air Force estimates could serve as an adequate basis for the kind of judgment necessary."

GAO man Newman, in his testimony, recalled something more. Mr. McNamara had stated that, back at Ford, "if they found their cost estimates were off one-tenth of 1 percent, they dove back into them to find out just where they had made a mistake."

But in this case, Mr. Newman was asked by the committee counsel, "there is no indication whatsoever as far as you can see that Mr. McNamara had made any effort to make any independent cost survey of his own, and there is no indication that he sent any teams out to these companies to examine their cost estimates?" "That is right, sir," said the man from GAO.

DIVING BACK

The TFX committee did find, however, that even as they probed, Mr. McNamara, at last, was putting Ford-style teams into action. Besides the one hunting down the missing records at Dayton, there were two more hard at work in the Pentagon. The point was that he had not sent the teams "diving back" into the data when he first began to mistrust the official and contractor estimates—which by his own testimony had been about a year previous, and by his own yardstick clearly were outside the acceptable bounds of one-tenth of a percent. In any case, the teams were busy in the spring of 1963, and one of the conscriptees described the effort.

"At the end of the second week of (TFX) hearings," recalled Mr. Blackburn, "the course of the investigation had become a source of deep concern to the top echelons of our Government. Top level talent was made available at the Secretary of Defense level to assist in preparing for defense of Secretary McNamara's decision * * *." Specifically, about a dozen Pentagon experts were rounded up and grouped into two teams. The Red team (Blackburn's) was charged with putting together "the case for Boeing, a kind of Devil's Advocate exercise to assure that all possible challenges to the Secretary's position were anticipated." The Blue team, headed by Pentagon Counsel Solis Horwitz, had the job of "supporting the decision made by Secretary McNamara some 4 months before."

All but locked up in a Pentagon cubicle, with slide rules and computers, the Red team "worked essentially around the clock for 5 days." They came up with the best case they could make, a task that was "comparatively simple, as the superiority of the Boeing proposal was well documented" The Blues had the conference room adjoining the Secretary's office. They "could avail themselves of General Dynamics if they chose, as that company was under contract to the Government * * *" and they came up with a case for General Dynamics that was better than the one the company itself had been able to make at the time of the final proposals. They did so, said Mr. Blackburn, because they used data that had not been worked out or did not even exist before.

Needless to add, the team assigned to defend the Defense Secretary's exposed flank won again. But when Mr. McNamara asked the "Reds" to "concur * * *(on the basis of newly computed data) * * * the professionals on the Red team would not accede to such a proposition. * * * The idea that a reevaluation of certain selected items in the design proposals could be realistically verified without several weeks' intensive review by a large team of unbiased experts, and without working with both contractors, was professionally repugnant to the members."

As a result of the palace revolt, some of the "Reds" soon resigned from the team and from the Pentagon. Indeed, not the least of the unexpected costs of the TFX decision and its strange aftermath was a wholesale exodus from military service of many of the country's top professionals—NASA's John Stack and the Navy's Admirals Pirie and Anderson (the latter removed as chief naval officer and sent packing as Ambassador to Portugal), to name just a few. Other controversies played a part in some cases, to be sure, but nothing in recent years has rent the Pentagon so seriously as the supposedly unifying, biservice, superplane development.

WHAT PRICE "REALISM"?

In view of this background, then, what has happened to costs should surprise no one. A comparison of the various estimates of projected costs on the principal item involved in the contract—development of the airframe—illustrates the point. This part of the fixed-price contract amounted to $486.6 million, including 9 percent as profit. Yet General Dynamics, in its final proposal, had estimated the airframe at $519.9 million as its best and lowest bid, and the Air Force evaluators pegged the same item (developed and built according to General Dynamics' proposal) at $616.8 million.

All told—including parts the prime contractor would not supply—General Dynamics said it would cost $711 million to develop the plane (and build 23 prototypes). The final contracts, disregarding those "unreliable" Air Force estimates of some $900 million, actually were pegged to that figure. That was "realism." In reality, funding for the research, development, test, and evaluation phase of the F–111 program through fiscal year 1966—before any funds earmarked by Congress for procurement—totals $1,149 million.

Meanwhile, of the prime contractor's $47 million projected profit, some $35 million (according to reliable estimates) already has been nibbled away by costs which General Dynamics will have to bear. What's more, the development, testing, and evaluation program is far from over for despite the recently awarded procurement contract, Congress has refused to authorize production tooling on the Navy version of the plane.

It's clear that problems like the troublesome Phoenix missile and the F–111's excess weight are taking their toll. So, too, ironical is the TFX's crash-diet regimen—a super-weight-improvement program called "SWIP" and another reducing project called "SCRAPE"—which belatedly seeks to get the pounds off one way or another. Last March, Rear Adm. A. M. Shinn, head of the Navy's Bureau of Weapons, called the weight-saving task "a sizable effort and an expensive one for the contractor, General Dynamics." These problems—the specific instances of rising costs—will be analyzed in detail. The real gap between Mr. McNamara's "realism" and reality, however, traces to factors underlying the original TFX concept itself and inherent in the making of the contract-award decision.

In short, here was a program which, once it became biservice in character, clearly had grown into (and was so regarded) the biggest and potentially most expensive military procurement in Pentagon history. How, then, could the Government go out of its way—literally adding years to the ultimate delivery of so vital a weapons system—in order to see that the highest of two competitive bids won? That unprecedented decision, and its subsequent, unabashed justification, are of more than historical interest. For the way in which cost realism was determined in the McNamara Pentagon 3 years ago not only helps to explain the high costs of the F–111 today, but also raises unsettling questions about the posture, efficiency, and managerial capability of the Nation's entire Defense Establishment in this time of mounting world crisis.

[From Barron's National Business and Financial Weekly, Aug. 30, 1965]

WING AND A PRAYER: THE TFX, "BEST PLANE EVER BUILT," MAY NOT BE GOOD ENOUGH

"F–111 program management was diverted and distracted by the congressional investigation. I attribute such problems as extra weight directly to the fact that top people were prevented from making appropriate decisions at the proper time." (Maj. Gen. John L. Zoeckler, USAF F–111 System Program Director.)

"That's the silliest, most asinine statement I have ever heard. Mr. McNamara said the best plane could be built by General Dynamics. Well, they've built it, and it's his airplane. They had better get busy changing the design or the materials or change their thinking on this commonality business, and never mind about the committee. We're just watching and waiting." (Senator JOHN MCCLELLAN, Democrat, of Arkansas), Chairman, Permanent Investigations Subcommittee.)

(By J. Richard Elliott, Jr.)

On October 15, 1964, in Fort Worth, Tex., under sunny skies and amid fitting fanfare, the first Air Force model of the famous TFX fighter-bomber rolled out at the U.S.-owned plant of General Dynamics Corp. "On view here today," said Secretary of Defense Robert S. McNamara pridefully, "is a weapon system which some said could never be made—(the F–111A) is unique. It is an aircraft which fulfills two missions which were previously considered contradictory or mutually exclusive. For the first time in aviation history, we have an airplane with the range of a transport, the carrying capacity and endurance of a bomber and the agility of a fighter-pursuit plane."

UPS AND DOWNS

Two months later, the superplane took to the air on its maiden flight and—although a malfunctioning trailing-edge flap forced it down in 20 minutes, 40 minutes sooner than the engineers had intended—the TFX proved it could get off the ground. Thereafter, milestone followed milestone. On flight No. 2 early in January, the plane maneuvered its variable-geometry wings while airborne. On March 5, 1965, during its 10th experimental sortie, for the first time it flew faster than sound.

Then, on May 18, high above the Long Island facility owned by Grumman Aircraft (the program's major subcontractor), the Navy's first TFX—model No. 1 of the F–111B—made its debut in the wild blue yonder. "Two little micro-switches need slight adjustment," the test pilot noted upon alighting. "That's the only thing that didn't operate perfectly."

Indeed, just a week before, when Grumman conducted its own ceremonial rites of rollout, Vice Adm. Paul H. Ramsey, Deputy Chief of Naval Operations (Air) had proclaimed: "This is an incredible advancement in the concept of an airborne manned weapons system. Its adaptation to the attack carrier is the focal point of our efforts and hopes. Whatever normal difficulties we experience we expect to overcome. We are confident that the genius (of Grumman, abetted by General Dynamics) will deliver—as usual."

OPERATION FALLSHORT?

In the summer since, nothing has happened to discourage the F–111's backers in and out of the Pentagon. Undeniably, it is the unique airplane Secretary McNamara said it is. Whether the TFX is an unqualified success, however, is another question. The record (see Barron's, July 12 and August 23), strongly suggests that in terms of timeliness and dollars and cents the program leaves much to be desired. From the technical and military standpoints, moreover, the TFX also appears considerably less than it's cracked up to be. It may well prove to be the most advanced aircraft in history (it certainly will be the costliest and most controversial). Yet, the evidence is mounting that it won't be good enough for either the Air Force or Navy.

The TFX originated in the design for an Air Force tactical fighter-bomber. However, its justification as an $8 billion (or around $5 million per copy) program always has

been its vaunted flexibility. For example, the superplane, it was early determined, could double in brass as a strategic bomber. Specifically, Mr. McNamara saw in it a new plane for SAC, to replace the aging B–52's when they become obsolete in the mid-1970's. Now, however, hopes of any such early adaptation of the F–111 have all but faded, and not only because some generals have steadfastly argued against stretching commonality too far. The so-called B–111, it turns out, would offer no great improvement over the newly modified planes in SAC's 1965 squadrons.

NOT IN THE CARDS

More than a new strategic bomber, the Air Force did want the RF–111, a reconnaissance version of the TFX, and wanted it ready to fly when the new tactical bomber went operational. This isn't in the cards, either. "Last year we tentatively scheduled the first operational units of RF–111's," Defense Secretary McNamara told Congress a few months ago. "It now appears that the capability of the reconnaissance force will be large enough to permit deferral of the introduction of this new aircraft. Pending (restudy), the full development of the RF–111 has been postponed and requirements will be met with RF–101 and RF–4C squadrons"—both of which, on paper at least, will be considerably hard put just to keep up with the TFX.

What the Navy, for its part, wanted as far back as 1962 (when the TFX contract was awarded) was a new tactical fighter for its carrier force "as quickly as we can get it," according to former Navy Secretary Korth. He said that he chose the less complex and more realistic design proposed by General Dynamics over that of Boeing, because he "did not want to delay securing that aircraft by adding complexity to it."

But the Navy's plane, 3 years later, has been delayed indefinitely. Only one F–111B still has been flight-tested; radical design changes now are being made. The House Appropriations Committee, after reviewing the status of this increasingly complex machine with the top Navy brass, turned thumbs down on a Pentagon request for funds with which to start tooling up for F–111B mass-production. The reason: "The overall program has not advanced to this stage."

CONTINENTAL CONS

Such straws in the wind, beyond intimating that the TFX is suffering what the Pentagon calls a stretchout, take on a special significance when placed alongside other negative elements. Overseas, for example, the Pentagon has been busily trying to drum up trade for Mr. McNamara's premier product. Australia signed up for 24 planes; orders from Britain and even West Germany were confidently expected to pour in. But Bonn, working closely with French aircraft interests, now is engaged in less cumbersome variable-wing developments of its own, and has taken itself off the list of possible TFX patrons. Other continental powers, lacking empires to oversee, similarly have come to realize that the F–111 is just too big an airplane for their modest tactical needs.

No one yet knows what the Labor government will do, under attack as it is for scuttling Britain's once-powerful aircraft industry. In consequence, the United Kingdom has become an importer of military planes. But the Royal Air Force's recent agreement to buy 40 of McDonnell's supersonic F–4C's (with a July 1966 option for 110 more) and the Royal Navy's plan to follow up with a purchase of 140 F–4B's, leaves the TFX pretty much out in the cold. True, the British also have 10 F–111's on order, and hold an option (extended to April) for another 100 (at a reported price of $6 million apiece); but it's clear that the F–111A's planned range far exceeds the RAF's needs, while the F–111B's weight is much too great for any of the Royal Navy's relatively small aircraft carriers. By comparison the revamped $2 million "Phantom II's" (or F–4) more nearly fills the bill.

As to the Pentagon's own procurement plans, the F–111's seagoing limitations have engulfed the program in doubt. That still-to-be-completed R.D.T. & E. contract calls for 18 Air Force and 5 Navy versions of the plane—and the ultimate ceiling, as far as the military mind can see, is 1,600 F–111's. A procurement contract for the first 431 TFX's was awarded to General Dynamics earlier this year. Of the 407 F–111A's, the Air Force (and the Aussies) hope to begin receiving their first planes late next year; immediately thereafter, to begin training crews, maintenance and administrative personnel; and to start deployment of operational F–111A's by late 1967 or early 1968. But the Navy, in line for just 24 of these first production models of the TFX, now has indicated that 4 have been redesignated as R. & D. planes—to work out the persistent bugs. The remaining score of F–111B's on order are not due before 1968–69.

F–111B IN OUR FUTURE

Beyond this minimal commitment, however, the admirals have refused to sign any blank checks. Although the Pentagon master plan has them down for an additional 475 planes, starting around 1969, the Navy has yet to say unequivocally that it will buy any more. Many other promising developments are underway both here and abroad; if fueled by sufficient funds, some could put prototypes in the air before 1970. The Navy is known to have done some judicious shopping around, just in case.

"We are greatly concerned about the weight of the F–111B," said Rear Adm. W. I. Martin, then Acting Deputy Chief of Naval Operations (Air). (Shortly after, he became Assistant Deputy, under Admiral Ramsey). Added Admiral Martin: "It influences nearly all of the performance figures in one way or another. Weight growth at this point can be a very serious thing, because aircraft are known to grow even after the initial production."

What would the Navy do should it find it cannot go ahead with large-volume procurement of the F–111B? Senator JOHN STENNIS, Democrat, of Mississippi, asked Admiral Martin this question. "We will use the F–4," he replied without hesitation: "It's a very good aircraft with some growth potential. Then we will have to look for a follow-on * * * make another try for a new plane."

PROFOUND REPERCUSSIONS

Such a decision would have profound repercussions. To be sure, the Air Force eventually will buy at least its tactical fighter-bomber version of the TFX in large numbers. But without the Navy's full-scale participation, the F–111 obviously no longer would become the biservice, all-purpose plane which Secretary McNamara conceived—and on which concept it was designed. That projected $1 billion savings would, as Mr. McNamara himself once said, simply evaporate. The TFX would become a very expensive, not entirely suitable, piece of single-purpose military goods. In short, like the ill-fated Edsel, it would be an attractive product that failed to make the grade.

Not all the blame for rising costs, delays and disenchantment rests on such factors as poor design, inadequate planning or faulty management. Like any weapons system, the F–111 has benefited from new developments. Like any defense program, moreover, it has endured the run-of-the-mill setbacks for which a prime contractor cannot be held accountable. For example, the first Navy plane rolled out by Grumman weighed some 8,000 pounds more than its final design allowed. But according to Air Force Maj. Gen. John Zoeckler, overall F–111 project director, "The Government is responsible for a third of that growth."

Responsible for some of the Government's extra poundage, in turn, are a dozen major, additional pieces of electronic gear which the United States asked contractors to design into the plane. Of these, it might be added, none is dispensable.

Government-furnished equipment—GFE, as the jargon has it—also is behind some of the more serious bottlenecks. This kind of supporting gear—usually large and complicated subsystems—is supplied directly by the services to General Dynamics-Grumman for final installation. But the Government orders and pays for it, and otherwise is accountable for what happens to it along the way. In the TFX program there are two associate contractors dealing directly with the Pentagon. Hughes Aircraft, in charge of the Navy's Phoenix air-to-air missile system, and Pratt & Whitney (United Aircraft), on the F–111's twin, TF–30 jet engines.

The latter almost threw a monkey wrench into things this summer. After four consecutive prototype failures in 150-hour endurance tests, the first two production engines were put on the test stand last June and promptly fractured their blades. Late last month, with new blades reset at new angles, the engines passed the same tests, thus completing their ground-endurance (simulated-flight) qualification. Air Force Secretary Zuckert described the engine-failure experience as "more or less routine * * * ulcer-producing, but not much else."

The engine still must prove it endurance capability in actual flight, of course. Above all, it must be equal to speeds considerably above mach 1.2, which was as much as it had to demonstrate in the test stand to make the initial qualification. Development, at the moment, is said to be proceeding apace.

PHOENIX FLAP

The other major piece of GFE—the Phoenix missile—has been bucking even rougher headwinds, technically speaking. The air-to-air missile, sleeker and longer range than either of the fleet's two operational deadly birds, Sparrow and Sidewinder, will cost five times as much as the more expensive of that pair. In fiscal 1966, $70 million was funded for its development—more than for any other Navy missile except the big ICBM, Polaris.

If all goes well, each F–111B is expected to tote six of the new birds, probably mounted three under each wing (although Dynamics and Grumman have had trouble working out the aerodynamics). Hence, privately owned Hughes ultimately may get orders for as many as 6,000 copies of the Phoenix, including spares.

At the moment, though, all is not going well. "It is not Hughes' fault," says Rear Adm. William E. Sweeney, deputy to General Zoeckler in charge of the Navy's part of the F–111 program. "We had the program moving too fast, trying to push the state of the art farther than it's ever been pushed.

EXIT LITTON

Actually, what went wrong with the Phoenix was its airborne missile controls system (AMCS)—a computer developed by Litton Industries 3 years ago. The trouble simply is that the AMCS of 1962 has proved not good enough for a missile still under development in 1965.

The Navy took its time facing up to this, but did have several backup programs going (including another at Litton) against the contingency. Last month, to the astonishment of Chairman Charles ("Tex") Thornton, the Litton computer quietly was dropped from the Phoenix program. A brandnew competition for the ACS subcontract was initiated by Hughes and the Navy, with

Sperry Rand, Control Data, and IBM reportedly among the leading contenders.

A few days before the blow fell, Mr. Thornton told Barron's that he was unaware of any serious difficulty in the program. In the overall TFX program, meanwhile, Litton remains a subcontractor to General Dynamics for the navigation-attack system, a separate hunk of avionics and one without any apparent bugs so far. In any case, the switch in Phoenix computers has caused project designers and engineers virtually to start again from scratch. It will delay the missile's readiness, according to top Navy officers, by at least a year.

Whether it will delay the overall F–111B program that much, however, is not clear. "The (F–111B) was intended to be about a year behind the Air Force plans," Admiral Martin told Congress. Because of the Phoenix delay, it can be later than that."

The F–111B is incomplete without a suitably advanced rocket like the Phoenix. The Navy based its requirements for a TFX on the perfect union of plane and bird; one without the other, an extraordinarily expensive prospect, would sink Mr. McNamara's cost-effectiveness test without a trace.

SATISFIED CUSTOMER?

At any rate, much has happened to the TFX over which General Dynamics (or Grumman) had no control. But much has happened, too, for which General Dynamics is plainly accountable. Some of the present woes of the program trace back to the very bases on which the contract was awarded to General Dynamics. After considerations of cost realism and commonality the decisionmakers stressed three factors: (1) Managerial competence; (2) design feasibility; and (3) the preferability of solving weight problems without resorting to new and complicating materials like titanium. Critics have tellingly attacked the program on all three counts.

First is the question of managerial competence. How well has the General Dynamics-Grumman team performed? There is, to be sure, ample evidence that the Pentagon is satisfied. Not least was the procurement contract last April, with its unusually long 4-year production run—awarded before the F–111 actually had completed even half its R.D.T. & E. span. What's more, General Dynamics early this year picked up a tidy incentive bonus of some $875,000 by demonstrating the variable geometry of the F–111A's wings in flight fully 24 days before the deadline.

General Dynamics' management, not surprisingly, feels it is doing quite a job. (Grumman has made no recent public comment on the subject.) "The development program," President Roger Lewis said in reply to a stockholder's question at the annual meeting last April, "is proceeding exactly as could be expected. If you could design a perfect airplane on paper, no development program would be needed."

The company's top brass at Fort Worth are equally pleased. "I have a feeling," says F–111 Program Director J. T. Gosby, "we're going to make some money for the stockholders."

Frank W. Davis, a company vice president, once director of the design group that produced the Atlas ICBM missile, and head of the Fort Worth division, is even more positive. "We have successfully built an airplane," he remarked not long ago. "We have demonstrated that it works. We have been ahead of our own program milestones. We have successfully defended the program against a wide variety of competitors and other detractors. We've got a contract."

GENERAL LIKES GENERAL

Adds Mr. Davis: "When this program gets hard—that is, when all the details are finally adjusted in negotiations on the contract—it will be so far along it can't be headed. Mr. McNamara's $1 billion savings will be realized. Our projected profit will be, too."

Maj. Gen. John Zoeckler, the Pentagon's overall F–111 program boss at Wright-Patterson, agrees wholeheartedly. Says he: "Just because I'm 100 percent behind the free-enterprise system doesn't mean I can't get tough with a contractor. But General Dynamics has done a brilliant job on this program—particularly in negotiating subsystems, both pricewise and on technical performance. And we are constantly on their tail to avoid deficiencies, to correct costs now, when it's cheaper, rather than later."

What's more, the general is convinced that "this program will be completed with as good a financial record as any in our recent history. I believe in giving credit where credit is due. I also believe you can catch more flies with honey. In a meeting recently back at the Department of Defense, it was suggested that I should get tougher with General Dynamics. Frankly, I was horrified."

Such touching confidence and glowing optimism, however, don't quite square with the way things are. To begin with, there seems to be a few strains in the management end of the program. Last year, it was reported in the trade press that the Air Force was trying to nudge Navy-oriented Grumman out of the deal. On this score, a high official of the service told Barron's: "If we're trying to reduce costs, of course we have to look at every possibility, including that one."

General Zoeckler pooh-poohs such speculation in his own fashion. "Is it worth it," he asks rhetorically, "in the name of economy to take a few million dollars away from Long Island—from Senator KENNEDY and Senator JAVITS?

NAVY'S NEW LOOK

On the other hand, the Navy—which, earlier this year, replaced a captain with a rear admiral as General Zoeckler's deputy assistant project director at Wright-Patterson—also has been trying to throw its weight around. Specifically, the fleet has awarded two unusual study contracts to Grumman. The first was to determine, according to Admiral Sweeney "what would make the best total weapons system for the Navy." That, of course, was supposed to have been settled in 1962. The second, a captain in Washington says, was "to reexamine the system and look for more ways to use it or to optimize its use in the fleet."

All this sounds innocent enough. But Grumman, which must look to the Navy for the bulk of its business, has refused to comment on what's going on. Nonetheless, apparently several proposals for radical design changes have sprung from the studies. One would eliminate the Gemini-like, McDonnell escape module, to save the 800 pounds this capsule adds to the F–111. Instead, the two pilots would be equipped with standard ejector seats. The unique cockpit, however, offers many advantages that offset its heft. It furnishes a more comfortable environment for F–111 copilots during the long hours of ferrying or loitering; it's submersible, so that pilots forced to eject at sea would be virtually as well-protected as U.S. astronauts who land in the drink, and it is ejectable (unlike conventional gear) at what the technicians call "zero-zero" altitude speed (i.e., when the plane is on the ground, or deck, and immobile). Lack of the latter capability particularly has cost lives in the past.

Another suggestion, evidently with a reduction in the plane's drag as an objective, would change the seating arrangement of the pilot and copilot. In the present version, the two sit side by side. The Navy-Grumman new-idea squad has offered a design putting one behind the other, as on a tandem bike.

"The arrangement we have," says General Zoeckler, "was itself a concession to Navy requirements. Of course it would be better for both pilots to have full lateral vision. But the Navy insisted on putting a 36-inch radar in the nose for loitering capability, and in order to accommodate that big dish the best configuration for the rest of the airplane is to seat the pilots side-by-side."

General Zoeckler is one who claims to see a pattern of mischief in the study-contract suggestions, which obviously would require belated and massive reengineering. "These design changes actually work to the Navy's disadvantage, and they'd also seriously disrupt the program's schedule and even hurt the plane's effectiveness," he says. "I know the official Navy attitude toward the F–111 is full-speed ahead with the best possible aircraft. I can't understand how these suggestions, coming from another level of the Navy establishment, are in line with that policy."

Interservice rivalry aside, TFX management can be faulted in several critical areas. Take the matter of meeting schedules. The contract was awarded November 24, 1962. Yet design changes known to be essential at the time of the award (and upon which it was conditioned) were not finalized and approved until December 1963—a lag of 13 months.

As to clicking off the milestones subsequently, these "triumphs," too, lose something on close scrutiny. To begin with, the milestones were spaced out further down the road at the outset, to allow for time lost during the first year's snafu. Even so, the program has fallen behind since the first big incentive bonus went to General Dynamics for flapping the F–111A's wings ahead of schedule. Because of propulsion problems, the act of flying the prototype F–111A at supersonic speed whizzed by without a salute. The event was to have occurred early in February; it took place on March 5.

DESIGN FIZZLES

"It's nobody's fault," says General Zoeckler. "The wind tunnel tests didn't tell us what we are finding out in real life," General Dynamics, of course, was criticized before, during and after the contract award for its comparatively meager wind tunnel data preparation—a criticism the company has hotly refuted. In short, program delays scarcely have all resulted from circumstances beyond the control of the prime contractor.

So much for management. A second major factor on the list of the Pentagon Secretaries was design feasibility: Boeing's was considered more complex, General Dynamics' more straightforward. Among the items mentioned by Mr. McNamara at the time were the need, according to his evaluation of the Boeing proposal, for substantial radar revisions and adequate provisions for storing missiles. These very drawbacks seem somehow to have crept into the General Dynamics concept; in particular, the contractors still are wrestling with the vexing problem of where to put the six Phoenix missiles.

The present structural design actually provides fewer wing cross-members than the one proposed by Boeing. In consequence, some of the deadly birds may wind up in the F–111B's bomb bay, thereby crowding out other ordnance the plane originally was expected to carry. "The hardest part of all in making this thing a weapons system," Admiral Sweeney told Barron's not long after he'd arrived at Wright-Patterson, "is integration of the electronics—particularly radar—and where to put the doggoned missiles."

The chief fault Mr. McNamara's band found with Boeing's design, however, were with elements in the propulsion system installation. Specifically, overhead air intakes and thrust reversers were regarded as too

risky; the latter devices, however, almost made their way from Boeing's losing bid to Dynamics' drawing boards, only to be thrown out for good (several months after the contract was awarded) when the Pentagon discovered that, while thrust reversers were included in Boeing's bid price, if added to the General Dynamics design would cost an extra $450 million. In the end, straightforward brakes and aerodynamics around the engines were deemed more feasible.

Here, however, General Dynamics engineers have had one of their biggest fizzles. Part of the trouble relates to the difficulties Pratt & Whitney has run into with the jet engine itself. But the toughest nut was completely unexpected. During the design competition, General Dynamics moved its air scoops around quite a bit before finally tucking them in under the armpits of the wings. Putting them under the wings was supposed to be as conventional as putting the radiator of an automobile under the hood.

The company says it had 5,000 hours of wind-tunnel testing when it submitted its final proposal, an exceptional amount—except for so complex a plane. Boeing already had 3,000 hours under its belt a year earlier, before bids even were sought. By the time the first F–111 flew, Dynamics had put behind it another 15,000 hours. Even that didn't tell the engineers what was wrong with the positioning and configuration of its conventional air intakes.

"General Dynamics is responsible for parts that are on the airplane," says Capt. "Red Dog" Davis, Admiral Sweeney's deputy. "That's where the propulsion holdup is." The intake nozzles, it seems, caused a high degree of vortex, or air turbulence, at the mouth of each jet. A "splitter plate"—added in front of the scoop after the contract award, to deflect any possible gaseous exhaust from fired armaments as well as the unsatisfactory boundary layer of air immediately adjacent to the fuselage—had to be redesigned using fiberglass instead of aluminum. Then it had to be repositioned. The problem still has not been worked out satisfactorily. "You can't tell everything in a wind tunnel," explained General Zoeckler recently.

Whether or not the optimum configuration ever is discovered by General Dynamics, such tinkering inevitably changes other factors of the overall design. Thus, there has been a reduction in the maximum speed of the F–111. Original plans had it zooming along at mach 3. This idea, however, soon was junked. The specifications put to both final bidders called for a top speed of mach 2.5. Now, that level may be out of reach. On this possibility, Dr. Alexander Flax, Secretary Zuckert's assistant for R. & D., will only comment that mach 2.5 really isn't all that overriding: "You only need that top speed for 5 or 10 minutes of a typical mission."

The heavily censored transcript of the Senate Armed Services Committee hearings carries the story a little further. Senator ALLOTT, Republican of Colorado, asked Admiral Martin: "What is the top speed of the F–111?" The then acting Deputy Chief for Air replied: "It is a little over mach 2, sir. It is listed as mach 2." However the Air Force feels about it, the Navy has to regard the TFX as something less than a superplane; its own F–4B, the Phantom II, built by McDonnell, is in the mach 2 class.

UP TITANIUM

The final item in McNamara's shopping list was weight saving, it will be recalled, with emphasis on Boeing's use of titanium and General Dynamics' avoidance of it. The sad fact is that the TFX is getting heavier and heavier. According to General Zoeckler, however, "We are less than 10 percent over the empty weight in the final General Dynamics design proposal. If we were to replace everything with titanium, it might help, but it would cost three times as much."

The truth is that both the plane's gross weight and the plane's use of titanium are increasing. The TF–30 engine now is over 30 percent titanium metal by weight. The airframe now being rolled out by General Dynamics and Grumman contains some 1,700 pounds of titanium, or nearly 5 percent of the empty weight of the plane.

In short, the winning design already is up virtually to half the amount, originally proposed by Boeing, of what Secretary Zuckert called this complicating material. What's more, the technical advisers in the services who asked for more of it during the 1962 design competition still are pushing the contractors into greater use of the more expensive metal.

The heft of the TFX, though, remains far above maximum specification. The problem is particularly acute on the carrier-based Navy version which (because of its Phoenix missiles, extra electronics gear and, on loitering missions, greater fuel load) is a heavier plane to begin with, yet has more severe limitations on both landings and takeoffs. The Navy's original specification, 50,000 pounds gross weight, was raised in interservice tradeoffs to 55,000; the acceptable General Dynamics proposal which won the competition called for a weight of 63,500 pounds. The first F–111B produced by the carrier-plane veterans at Grumman soared past 70,000 pounds—and frantic efforts to whittle down the gross-weight figure so far have barely succeeded in holding the line.

The effects of weight in an aircraft like the TFX are many, varied—and all bad. Costs rise, but effectiveness drops. "We can meet the present Air Force 'spec' of 3,300 miles," says General Zoeckler, "and that's enough to get us to Hawaii." But the TFX was supposed to go more than 4,000 miles nonstop.

The real tipoff to the downgrading of the ferry capability is the design change calling for airborne refueling equipment in the already instrument-crowded nose of the superplane. The distances from Hawaii to likely points east are inaccessible to the F–111 without help from an accompanying tanker—an extra logistical cost that was never a part of Secretary McNamara's original cost-effectiveness formula.

The Navy has had to chuck even more ballast from its already depleted specifications. Most serious of all is the slippage in the essential capability to land and takeoff from carriers. Only 9 of the fleet's 15 attack carriers now in commission will be able to accommodate the F–111B fully equipped (and only after 2 of the 9 complete a $170 million overhaul); by 1970, there will be 11.

Capt. J. L. Rees, one of Admiral Sweeney's TFX deputies, stationed in Washington, recently noted: "The problem is not so much taking off with this airplane. You can increase your thrust—and the afterburner on the TF–30 engine provides this kind of acceleration—to give an assist to the catapult. But that doesn't help in landing the plane, which is the real problem."

Before an aircraft can land on a flat-top, a number of variables must be precisely coordinated. "You start with the known strength of your arresting gear, cables, motors, aboardship," says Captain Rees. "Then you need to know exactly the WOD—wind-over-the-deck—requirements of the plane. This in turn is based on the weight of the plane, its minimum landing speed and the maximum wind it needs to land into."

The precise statistics on the F–111B's WOD requirements are secret, of course. But because of the plane's severe weight problem, experts peg the figure at a 130–135 knot landing wind requirement, or a net WOD of 30–35 knots—which is faster than a carrier can steam. In other words, in the worst of circumstances, a Navy TFX pilot flying over the ocean today couldn't even get back to his ship.

Little wonder, then, that General Dynamics-Grumman are speeding their joint weight-reduction efforts, as well as other corrections. The dietary and other programs—called Swip, Scrape, and High-Lift (the latter an expansion of the F–111B's wing surface)—will take effect with the fourth and fifth Navy plane, due for rollout next summer. They have added up to a whopping $34 million in extra expenses so far, borne not by the United States but by General Dynamics directly.

Such costs are cutting deeply into the prime contractor's programed profit, which is fixed, along with the overall price of the contract. Unless it takes the risk and succeeds, however, the company stands to lose the Navy as a quantity market altogether—a threat the admirals, in recent congressional testimony, have made implicitly, explicitly and abundantly clear.

THE NET EFFECT

To sum it all up, the TFX has turned out to be a flying Edsel—a well-intentioned product, but misconceived and mismanaged, and ultimately unsatisfactory to everyone involved, buyer and seller alike. The net effect for the makers almost certainly will be a lower profit than expected, and, because of the stretchouts, a deferred one at that. This is particularly true, of course, in the case of the prime contractor, General Dynamics. Should the Navy abandon ship, finally, everybody will be in hot water.

At the outset of this series, Barron's suggested that one of the most famous quotations—that of Clemenceau's—was due for revision. We suggested: War is too important to be left to civilians. Another revised quote also seems called for, this time from a current television commercial: In matters of defense and national survival, we must be doing something wrong. The evidence warrants of renewal of the McClellan committee investigation—this time with no holds barred. Better yet, the President himself, we humbly suggest, should take a new look at the most powerful agency in his Government.

STARS AND STRIPES ENDORSES S. 9, THE COLD WAR GI BILL

Mr. YARBOROUGH. Mr. President, the weekly magazine Stars and Stripes, which has become a major voice in veterans affairs, this week endorsed the cold war GI bill as "highly desirable legislation." This action came in an editorial which appeared on page 4 of the Thursday, September 9, 1965, issue of the Stars and Stripes.

This supporting editorial is significant both because it comes from this very fine veterans' weekly newspaper, and also because it adds yet another voice to the steadily increasing chorus of support from veterans groups and from responsible news media throughout the country.

As stated by the Stars and Stripes in their editorial:

It is simply inconceivable that the administration, the Department of Defense and most particularly the VA are opposed to these benefits which would directly aid military personnel fighting in defense of America and the Nation as well.

To illustrate the well-reasoned position of the Stars and Stripes, I ask unanimous consent that this editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Stars and Stripes-the National Tribune, Sept. 9, 1965]

HIGHLY DESIRABLE LEGISLATION

The House Veterans' Affairs Committee has begun hearings on S. 9, the so-called cold war GI bill. This measure has already been approved by the Senate and there appears to be little doubt that it will also receive the approval of the House of Representatives.

We can see no objection to the passage of this measure. There seems to be little doubt that the legislation would be of great value not only to the men serving in the armed services but also to the economic position of the Nation as well.

It should be remembered that this is not bonus legislation but purely a measure calling for readjustment for those veterans who are forced to forgo their civilian occupations and enter into military service. Approximately 40 percent of those eligible for service are called up, which means that the other 60 percent of the Nation's youth is unemcumbered by service and has the opportunity to forge ahead in their chosen occupations.

The original GI bill enacted in 1944 has been universally acclaimed as one of the most farsighted veteran program ever adopted in the history of our Nation.

Under the provisions of that legislation, later amended to include Korean veterans, nearly 11 million former GI's received education and training which highly increased their productiveness and their incomes. It has been estimated that the cost of this program ran to nearly $19 billion but the returns have far exceeded thus far the original cost and our Government stands to reap benefits from it for years to come.

Another feature of the original GI bill is that it developed hundreds of thousands of doctors, engineers, scientists, teachers, who through their abilities and knowledge have greatly aided this Nation in its highly complicated space programs.

In view of the foregoing facts it is simply inconceivable that the administration, the Department of Defense and most particularly the VA are opposed to these benefits which would directly aid military personnel fighting in defense of America and the Nation as well.

CONSUMER PROTECTION: ALL TALK—NO ACTION

Mrs. NEUBERGER. Mr. President, the Christian Science Monitor for August 26 carries a timely article on consumer legislation.

Mr. Robert Cahn, Monitor correspondent, has summarized the existing lack of enthusiasm to do anything about the consumers' pocketbook.

Mr. President, I ask unanimous consent that the article "Consumer Bills in Doldrums" be printed in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Aug. 26, 1965]

CONSUMER BILLS IN DOLDRUMS

(By Robert Cahn)

WASHINGTON.—Is enough being done to assist and protect the American consumer?

Although some strides are being made, supporters of new consumer legislation say that the voice of the consumer is too weak and unorganized to make itself heard or heeded in Congress, the White House, the statehouse, or city hall.

The major pieces of consumer legislation are stalled and blocked in congressional committees, with little or no likelihood of even getting to the floor of either House this session.

The truth-in-packaging law needs two votes it does not now have to get out of the Senate Commerce Committee.

Truth-in-lending is stymied in the Senate Banking and Currency Committee, where the chairman has not scheduled hearings.

And an omnibus consumer law with special emphasis on safeguarding food and drug production and sales is making snail-like progress in the House of Representatives.

For 3 years in a row, the publicly stated needs of the Commissioner of Food and Drugs to hire an additional 400 inspectors have been rejected by the Bureau of the Budget.

EDUCATION STRESSED

State legislatures have passed little consumer legislation. A few Governors—notably of California, Massachusetts, and Connecticut—have appointed boards or special assistants to help consumers.

In most communities, the politicians have ignored the consumer. The principal efforts to correct consumer abuses have been made by women's clubs, labor unions, and civic organizations.

However, concerted programs to help the low-income consumer are now underway in several large cities, with financial support from the Federal Office of Economic Opportunity.

The Johnson administration's interest has been centered in the area of increasing benefits to consumers in general, rather than in protection for the individual consumer or help for him at the marketplace.

Thus income tax reduction and elimination of some excise taxes, housing legislation, increased social security benefits, hospital and medical benefits, curbing of increases in utility rates, and other price stabilization moves have been the administration's principal consumer objectives.

Twenty months ago, Mr. Johnson appointed Esther Peterson as his Special Assistant for Consumer Affairs. He sent a strong consumer message to Congress in 1964 (but not in 1965). And last June he appointed a President's Consumer Advisory Council of civilians, experts to advise the Government and protect consumer interests.

PRIORITIES ARGUED

So far, however, executive action has chiefly emphasized education of the consumer. The President has not indicated to Congress any urgency for approval of the proposed consumer protection laws. Nor has he laid down policy for the Budget Bureau to increase appropriations requests in areas of enforcement.

Administration sources say this reluctance is just a matter of other things having higher priority. Critics say the President does not want to do anything that might affect his glowing relations with the business community.

There is by no means agreement in the Nation that additional consumer legislation is needed, either in Congress or the States.

Manufacturers and retailers generally oppose the packaging and labeling bill on the grounds that existing legislation is adequate, that the new bill would impose standardization controls over private enterprise, and that it would actually result in higher costs because of lessening of competitive enterprise.

BILLS SUPPORTED

Banks and loan companies, retailers, manufacturers and industry organizations oppose the truth-in-lending bill on the basic assumption that existing laws are adequate and that fraudulent practices should be corrected by better enforcement of present laws.

The loudest and most persistent voice for the consumer in the House of Representatives is LENORE SULLIVAN, Democrat, of Missouri. Since 1961, Mrs. SULLIVAN has introduced in every Congress an omnibus consumer bill.

The legislation, Mrs. SULLIVAN says, would correct all of the inadequacies and close all the loopholes in the Food, Drug, and Cosmetic Act.

SUPPORT URGED

Among the bill's features are provisions for protesting the safety of all cosmetics and protesting of all therapeutic devices for safety and efficacy. It also provides for tighter regulation of food and drugs, comprehensive factory food inspection, and sets safeguards to prevent fraud and deception in packaging and labeling.

"Congress is like the accelerator of your car—that is, very sensitive to pressure," says Mrs. SULLIVAN.

"Women, especially, need to become aware of the deficiencies in our basic consumer laws and should write their congressional delegation."

She is optimistic that the consumer legislation will get through eventually. But she thinks it could be speeded if the White House would back the legislation now before Congress with written messages and active support.

In the Senate, MAURINE B. NEUBERGER carries on a consumer interest that won fame 15 years ago in the Oregon House of Representatives.

COMMITTEE PROPOSED

At that time she dramatized efforts to repeal a law banning the sale of colored oleomargarine by bringing a mixing bowl and a pound of margarine to a crowded Agriculture Committee session.

She tied on an apron and proceeded to demonstrate what a messy and time-consuming job it was to blend a pellet of coloring into an unappealing white block of margarine. The law, incidentally, was repealed.

In addition to her present role as one of the leading backers of truth-in-packaging and truth-in-lending bills, Senator NEUBERGER is urging the establishment of a select committee of Congress for consumer problems.

She hopes to hold hearings soon on this idea and thus focus more citizen attention on consumer problems.

Despite the lack of action in Congress, Mrs. NEUBERGER says the introduction of the bills has already brought much voluntary progress among business firms.

Another longtime advocate of consumer interest is Illinois Democratic Senator PAUL H. DOUGLAS. Before coming to the Senate 30 years ago he was a member of the Consumer Advisory Board appointed by President Roosevelt. Today Mr. DOUGLAS is the leading sponsor of the truth-in-lending bill.

"The basic purpose of the bill is to require that anyone who lends money or extends credit must supply the would-be borrower or credit user with a statement of the total finance charge in dollars and cents; and a statement of the finance charge in terms of a true annual rate on the outstanding unpaid balance," Senator DOUGLAS says.

He adds that the bill does not attempt to regulate or control the rate of interest or cost of credit. It would enable the typical consumer to compare the cost of credit from various sources and make an intelligent decision.

SAVINGS ESTIMATED

The Senator believes that billions of dollars are drained from the pockets of consumers by excessive interest charges.

"All I am asking is that the borrower know the truth about the charges," he says. "One shouldn't be afraid of the truth."

Senator PHILIP A. HART estimates the fair packaging and labeling bill he has sponsored could save the average consumer $250 a year.

"The new proliferation of package weights, sizes, shapes, and their often noninformative labels has played havoc with our traditional system of weights and measures," Senator HART says.

"The package has, in effect, replaced the live salesman," he adds. "Without standards for comparison, the average buyer has found it almost impossible to judge accurately the prices of competing products as a first step to making a rationale choice between them."

George P. Larrick, Commissioner of Food and Drugs, believes that present laws are inadequate in protecting the consumer.

He says that better controls are needed over patent medicines and in the labeling and sale of cosmetics. The number of inspectors available to check on drug manufacture also is sufficient only for occasional spot checks.

COMPLAINTS AIRED

Chairman of the Federal Trade Commission (FTC) Paul Rand Dixon takes the position that Congress will pass new consumer legislation when the need is conclusively demonstrated.

He has recently called on all Commission personnel to intensify their efforts to prevent unfair and deceptive acts and practices in commerce and to protect the honest businessmen from unscrupulous competitors. And in Washington, the FTC has opened an office to receive consumer complaints.

The FTC is handicapped by having to prosecute on a case-by-case basis, with frequent legal delays. While a case is in litigation, the questionable practice continues. And even when a case is decided against a firm engaging in fraudulent advertising or practices, there is no redress for people who have been bilked.

POOR AFFECTED

The consumers affected most by deceptive packaging and pricing, unethical business practices, or excessive interest and carrying charges are the poor.

They have little opportunity for comparative shopping, are frequently susceptible to high-pressure sales tactics, and know little of their legal rights.

They spend most of their meager income on consumer products. And, by force of circumstances, they frequently become involved in dealings with loan sharks.

The term "consumer" includes the wealthy, middle class, and poor, industrialist, and laborer, lobbyist, and politician. The consumer is everybody, and so far has had no common interest and no effective lobby working for passage of legislation.

Middle class consumers, for the most part, may talk about consumer problems while at dinner or at social gatherings. But in the current affluent society, they are rarely moved to do anything about it.

STEEL SETTLEMENT—FAIR AND REASONABLE

Mr. NELSON. Mr. President, the steel industry has signed a new labor contract which should be enthusiastically greeted by every American. This contract gives labor a fair and reasonable share of the industry's rising prosperity. It gives management a contract it can live with while continuing to operate profitably and in such a manner as to contribute to the continued economic stability of the country.

Before the ink was dry on this excellent agreement, however, some of our newspaper editorialists were already denying the value of what has been achieved. Several have alleged that the wage increases and fringe benefits incorporated in the agreement would violate the Government's wage-price guidelines, and thus contribute to inflation. It is worth noting that this view is not shared by any of the distinguished economists who devised those guidelines.

The President's Council of Economic Advisers, in fact, points out that the settlement, averaged over a period of 39 months, amounts to an average annual increase in labor costs of 3.2 percent. This is the exact allowable wage increase for all American industry spelled out by the existing price-wage guidelines.

To deny this interpretation requires some rather fancy statistical footwork. Most of those who allege the wage increases to be inflationary calculate the new wage levels as though they extended only over the 35 months covered by the contract. The truth is, however, that the last steel contract expired on May 1 of this year. At that time, steelworkers were given an interim increase of 11½ cents an hour as a sort of downpayment on the wage increase to be finally negotiated. Thus, those who wish to calculate on the basis of 35 months ought to subtract the 11½ cents from the cost of that settlement. This would mean that just before signing of the new settlement, average compensation in the steel industry was about $4.53 an hour, and that the new wage agreement adds about 36½ cents an hour. Thus calculated, the percentage increase would come out to much less than 3 percent.

What some of the critics do, on the contrary, is to credit the 11½ cents to the period after signing of the new agreement, and then say that there has been a 3.6-percent annual increase based on the wages that were being paid last April.

None of this statistical sleight of hand should mislead us about the true character of the settlement. For myself, I agree with the Chairman of the President's Council of Economic Advisers that the only sensible approach is to treat this as a 39 months' settlement which has a total labor cost increase of about 48 cents an hour as compared to the wages being paid when the last contract expired. On this basis, which as I say is the only sensible one, the increased labor cost in the steel industry matches exactly the administration's guideline figure of 3.2 percent.

This means that the wage increase is not inflationary. It means that nothing in the settlement is calculated to launch a new price-wage spiral. It means that we are guaranteed 3 more years of labor peace in our most basic industry. And it means that all this has been achieved on a basis that is just and fair to all concerned.

While the steel negotiations were in progress, the President urged negotiators on both sides to consider not only their own interests, but the interests of the Nation as well. They responded with reasonableness and patriotism to the President's request, and by so doing, spared their country from a disastrous shutdown which would have harmed the lives of millions of Americans. No attempts to obscure the magnitude of their achievement can diminish the debt we owe them for their patriotic and selfless contribution to our national welfare.

THE GREAT POVERTY SNAFU

Mr. SCOTT. Mr. President, during the recent debate in the Senate on H.R. 8283, the Economic Opportunity Act Amendments of 1965, I pointed out that although the purpose of our antipoverty programs is to help the poor people, much of the funds for these programs are going to the poor by the way of the politicians with the unfortunate and unintended result that the latter are skimming as much of the cream from the milk as they can. An illuminating article in the September 1965 edition of the Greater Philadelphia magazine, which describes the mobilization for and the opening skirmishes of Philadelphia's war against poverty offers some vivid illustrations of the point I made. I ask unanimous consent that this article, by S. H. Kristal, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Greater Philadelphia magazine, September 1965]

THE GREAT POVERTY SNAFU

(By S. H. Kristal)

Pop went the flashbulbs, teeth glittered in effervescent smiles, and beads of sweat glistened in the unnatural white-hot glare of the klieg lights. Silently the mechanical retina of the television eye scanned the scene, recording for the home screen the headquarters of the Nation's first poor people's election.

Excitement effused through the normally dingy room on the third floor of city hall annex. Pasted on dusty buff-colored walls and pinned to clumsy, wooden easels were long strips of paper bearing the names of the 354 candidates. An ever-changing scribble of numbers raced across the once empty columns.

Puffed up by the occasion, election workers from the city's 48 poor people's polling places rushed about delivering returns. Eagerly the crowd—women in faded cotton dresses, men in short-sleeved, open-necked shirts—hung over the shoulders of the election-night clerks as they scratched in the latest figures on the tally sheets.

Reporters from the farthest reaches of the Luce empire rubbed shoulders with local newshawks as each, in search of a story, jostled through the swarm of candidates, workers and well-wishers.

"Housing is the first thing I'm going to suggest," said Mrs. Eunice H. Gale who was running strong out of J district in West Philadelphia.

"Housing, yes," echoed Mrs. Mary Rocco, one of the 12 winning candidates in D district just to the east of the North Philadelphia Jungle, "but also recreation centers."

Another North Philly candidate from late reporting E district jumped up and down with excitement when she discovered she had been elected. Then with the disappointed grimace of a real pol she said dolefully, "Wouldn't you know. The TV men have already gone home."

"It was," recalled Health and Welfare Council's society public relations woman, Willy Landruth, with maternal enthusiasm, "just like a real election."

The much-publicized poll this past spring did more than simulate a genuine electoral

process, it salvaged, at least temporarily, the Tate poverty program and along with it the reputation of the Tate administration. Polling the poor was the mayor's last desperate claim stake in the poverty field. Until the idea was filed, he had panned little but fool's gold. In the 9 months between the time the Federal money started to flow and the time Philadelphia was able to get its first sizable swallow, the city had suffered a series of humiliating rebuffs. Gone irretrievably was Philadelphia's reputation as a leader among cities.

Four separate poverty plans were paraded down to Washington before approval was finally granted. Each new plan was heralded with great fanfare. Officials scurried back and forth to the Capitol with the regularity of commuters and the sureness of purpose of conditioned laboratory mice. With each failure city hall news releases waxed rosier while, privately, executive tempers grew shorter.

In the words of one prominent city hall figure, "The poverty fiasco is a classic example of the way Jim Tate operates. I guess you could call it government by tantrum. The sad truth is that the present Philadelphia city government is barely able to carry out old programs and is completely incapable of creating new ones."

Because it took the Tate administration almost a year to set up a program acceptable to the Federal authorities, the city fell far behind in the race for a billion dollars in poverty prizes. Money was handed out on a first-come, first-serve basis. Between October 1964 and April 1965, Philadelphia received less than $500,000 while much smaller cities such as Pittsburgh garnered $7.7 million, Washington, D.C., was awarded $4 million, and St. Louis received $3 million.

Despite the high-sounding words of square-jawed solemn-miened professional do-gooder Charles F. McNeil, then city poverty braintruster and head of the superboard of private local agencies, the health and welfare council, said that he had faith "that there is leadership amongst the poor." The elections were meant less as a door opener to the affluent life for the mass of the city's impoverished, than as a key to unlock the valve to Federal funds.

A month after the balloting, Sargent Shriver announced that Philadelphia had finally been awarded $5.9 million for a variety of antipoverty projects, many of which, on close examination, turn out to be oriented toward the politicians rather than the poor.

POVERTY PROFILE

Despite the ludicrous scramble for money, jobs, and power conducted by the politicians and the leading professional Negroes, poverty in Philadelphia is no laughing matter. Nor, despite the talk of city leaders, is it just the black man's burden, although the entire thrust of whatever programs that exist is directed toward the Negro (or, to be more accurate, the Negro vote).

One Philadelphia family in five lives on less than $3,000 per year. Of the 142,000 impoverished households, less than 60,000 are Negro. But, white or black, being poor in the affluent 1960's means more than having a limited income. It often means growing up in a broken home, in a rat-infested, overcrowded house with inadequate heat and plumbing, eating a starchy diet, and wearing fourth-hand clothing. It means being unemployed or underemployed and ill educated. To be poor is to be twice as susceptible to tuberculosis and four times as prone to psychosis. It means to have more children and be less able to care for them. It means to live tragically, less well, and for a shorter time than the rest of America. Above all to be poor is to be without hope.

"I wish for the Lord to come to us soon," a toothless, age-shrunken crone muttered as she sat forlornly on the eroded, stained stoop of a ramshackle house in North Philadelphia. "I hope when He comes He takes us all at once, then there won't be anybody left to grieve."

The poverty act was conceived as a radical remedy for the malignancy of want which afflicts 40 million Americans. Goaded into developing a new prescription by the civil rights revolution, whose followers constitute one-third of the Nation's poor, the Johnson administration abandoned the palliatives of the dole and came up with what it expects to be a possible cure. The miracle drug is money. In essence, the poverty act was conceived as a sugar daddy for an infinite variety of educational, vocational, and self-help schemes.

Categorically, the law states that its purpose is to stimulate the poor into mobilizing their own resources. "Programs," it says, should be "developed, conducted, and administered with maximum feasible participation of the residents of the areas and the members of the groups served." In other words operations are to be performed with the poor not on them.

BATTLE PLAN

In the war against poverty, grand strategy is planned in OEO (Office of Economic Opportunity) headquarters in Washington. The choice of tactics is left to the discretion of local community action commanders. But before financial ammunition is issued, local organizations must pass Federal muster.

Community agencies come in three basic varieties: Municipal governments in mufti (such as those fielded by Detroit and Chicago); foundation structures (similar to those in New Haven and Boston); and nonprofit corporations (which operate in Washington, D.C., and Pittsburgh).

Philadelphia tried all three gambits and failed to capture Federal approbation. It was only after a year of bloody internecine warfare that a poverty beachhead was established here.

Tate's first approach to the poor man's pot of gold was a direct assault. In the spring of 1964, months before the passage of the Poverty Act, he set up something called Human Renewal, generaled by his managing director, Fred Corleto. The task force, 11 of whose 13 members were city officials, was only a paper plan. Its purpose was to simulate a strategic posture against poverty and to act as the mayor's pocket for Washington money. Tate intended to use his Federal allowance to finance existent municipal departments. Welfare Commissioner Randolph Wise, a round-faced man whose character and countenance have been lined by years of dealing with the problems and frustrations of human misery, said on April 26, 1964, "The city has already built a program in the past 11 years to fight the problems of poverty."

Washington saw through the shabby camouflage. OEO suggested that the PCCA (Philadelphia Council for Community Advancement, the Ford Foundation's all-purpose remedy to cure North Philadelphia poverty) run the Quaker City show. Federal experts were much taken at that time with Ford's gray areas study concept. Ford Foundation people in New Haven and Boston actually sat in on the writing of the Poverty Act.

What the national poverty savants did not know was that Ford had flopped monumentally in Philadelphia and was contemplating an exacuation of its forces here. Tate, seemingly unaware of the precariousness of PCCA's position, obligingly placed the reins of Philadelphia's poverty program in Ford's faltering grasp and simultaneously issued an invitation to 100 local civil groups to submit proposals. It was the mayor's hope that PCCA would not only dream up acceptable projects but would ante up the matching funds. Ten percent of the requested grant is required to be supplied locally before the Government will release its own money.

FALLOUT

This new award of power made in July 1964, set the NAACP's silk-suited, cigar-smoking Duce, Cecil Moore, to howling.

"The PCCA," he barked, "has no grass roots among the poor. The law (then in the process of being written) would demand that the poor be involved."

PCCA, already mortally wounded by earlier Moore attacks, not only refused to finance the mayor's war on poverty but had already reduced its staff from 35 to 9. To fill the breach, the Human Services Committee, PCCA's cover name, was restaffed by 12 city agencies. Its new chairman was an old face—city welfare boss Randy Wise.

In September, the word came from Washington. Applications for grants under the new law were to be filed immediately. The mayor issued his own misinterpretation.

The poor, the word went through city hall, were to be on the payroll by election time.

Ideas gathered by the Human Services Committee from 73 civic agencies and a variety of city departments were presented to the mayor's newly reconstructed task force (which was actually his cabinet). The best suggestions were eliminated. The remainder were emasculated.

Applications were then thrown together in slap-dash haste and forwarded to Washington. "It was," recalls one city staffer who had been in the middle of the frantic flurry, "absolutely unbelievable—not so much the chaos as the incredible stupidity at the top."

A Washington official concurred, "The trouble with the Tate administration, he said, "is that it doesn't know how to ask for money. As a result, Philadelphia gets less Federal aid than it is entitled to." The reason is intimately connected with the decline in caliber of the top men. Once the leader in Federal-local cooperation, Philadelphia has become the laggardly follower.

NEW FACES

In October the blow fell. All of the mayor's anti-poverty requests were refused. In Philadelphia only Rev. Leon Sullivan's Opportunities Industrialization Center received Federal recognition. Sullivan's successful application for a quarter of a million dollars was made independently of the city programs.[1]

Humiliated, first by the perversion and then the rejection of their plans, the human services committee rebelled. The longtime formerly effective local welfare professionals wanted assurances that future recommendations they made would not be destroyed or distorted. Wise, supported by not-too-gentle hints from Washington, suggested a shift in command.

In exchange for a promise of reformation, Washington gave tentative approval to selected city requests amounting to $1.5 million. One grant was to go to the board of education to provide needy high school students with 10 hours work a week A second grant was earmarked for the city administration. As a token of good faith $105,000 was advanced to the mayor's committee. But

[1] The Reverend, a tall, broad-shouldered man with a pencil thin moustache, a matinee-idol profile and a stagey personality, once served as an assistant pastor to ADAM CLAYTON POWELL. The ablest of the city's 400 Negro ministers, Sullivan with $300,000 from the Ford Foundation, the chamber of commerce and assorted well wishers put together a prize training program. In a reconverted police station at 19th and Oxford, he set to work teaching the poor how to talk, dress, apply for a job and hold it.

Washington brass warned that Philadelphia's community action would have to be revamped before more money would be released.

The hesitation on the Potomac was created by the amount of static picked up by OEO officials. The noise was largely generated by those who had been omitted from the mayor's original task force.

"The poverty bill," explained an official on the scene from the beginning, "provided an open invitation to any private group to go to Washington and present a better idea. Many local people needled Shriver and raised a good deal of hob."

LABOR REVOLT

At this juncture a new front was opened in the mayor's battle, if not in the poverty war itself. Appalled by Tate's failure, the Philadelphia AFL–CIO Council decided to move into the breach. An alliance was formed by the labor council, the ADA (Americans for Democratic Action, a reform-minded outfit with a built-in bias against the mayor), a newly created "indigenous" Negro group called the ICCI (Intra-Community Councils Inc.) and a scattering of other contentious associations. The insurgents proposed that the local war against poverty be commanded by a citizens' junta, in the form of a nonprofit corporation. The rebel cry, swiped from Cecil Moore, was that the mayor's poverty army failed to include representatives of the poor. The insurrectionists, pointing to the ICCI, claimed the poor were in their camp.

It was a disingenuous maneuver in the fight over the poverty spoils. The ICCI, although ostensibly headed by Mary Richardson, a self-described ex-gang girl who lives in North Philadelphia, was actually created by Mattie Humphries and Isiah Crippins.

Mattie Humphries is a well-educated and handsome middle-class Negro woman who served as job counselor for the almost defunct PCCA. When the tide of Ford money receded she was left high and dry. In order to sail once more on the sea of poverty she helped launch the ICCI.

Isaiah Crippins is a small man with a dazzling array of teeth and expression of a nervous ferret. Many people believe he was acting as cat's paw for Cecil Moore when he helped form the ICCI. The organization was to be used as a smoke screen behind which Moore could move into the poverty field and take the play away from the mayor. It was during these maneuvers that Cecil was going around town desperately trying to get people to think up poverty programs that he could use.

Threatened by defeat in Washington and insurrection in Philadelphia, Tate went on the offensive. He ordered City Solicitor Edward Bauer to quash the rebellion. Obligingly, Bauer issued an opinion which stated that the formation of a nonprofit community action corporation unconnected with city hall would be illegal. Bauer made this ruling despite the fact that just such corporations were running successful poverty programs in Washington, D.C., and Pittsburgh.

Tate then turned his attention to the political front. To defend himself against sudden death at the hands of Democratic city committee assassins, the mayor determined to use the poverty program to build and enhance his own political power.

Brushing aside commitments to place poverty workers under civil service, the mayor handed over the right to awards jobs to the Democratic members of city council. Appointments were cleared through Tom Rogers, the mayor's administrative assistant.

DONKEY SERENADE

"It finally dawned on Tate that not having a poverty program had political implications," an insider explained. "In the beginning he didn't think it was important. After all he was schooled entirely in politics and he never heard anything about poverty in the wards. Jim Clark (former finance chairman of Democratic city committee and the real power behind the throne until his death in 1962) didn't tell him about it. Frank Smith, now the power on the throne, didn't push. So how was he to know?"

Following the advice of Welfare Commissioner Wise, Tate replaced the much-abused, overworked, and underinstructed city aids on the Human Services Committee with a spate of Health and Welfare Council representatives.

At Wise's urging, Robert Hilkert, then president of health and welfare and vice president of the Federal Reserve bank, took over the chairmanship of a racially and religiously balanced committee of prestigious Negroes, Jews, Catholics, and WASPS.

It was this committee which developed the structure of Philadelphia's community action agency which was christened the Philadelphia Anti-Poverty Action Committee (known as PAAC for short). According to the organization chart, PAAC was to have 30 members. Twelve were to be representatives of selected community organizations.[2]

The mayor received five free choices.[3] The president judge of county court was also put on the committee. The poor were to get the remaining 12 seats, which were elective. Corleto was again designated temporary chairman and the mayor preserved the right to choose the executive director.

Early in February, a contingent of city hall's brighter lights went to Washington to present the Philadelphia hybrid. Puzzled by an animal that was part public, part private, part elective, and all political, Washington nevertheless gave its approval.

It was now up to the mayor to select an executive director. Said one insider, "I can tell you and I might as well. If the mayor had immediately appointed an executive director or even an acting director in December when Randy Wise offered his resignation, this job would not have gone up for grabs. But Tate developed a fixation. It had to be a Negro."

GHETTO POLITICS

Tate's fixation was actually a politician's realistic evaluation. The fuel that spins the wheels of the Democratic organization is supplied by Negro votes. Without this solid support the mayor would have lost the last election. Tate failed to obtain a majority of the white votes cast in 1963. He was elected because as much as 83 percent of the vote in some Negro wards went Democratic.

As a riposte to rumors rife in Democratic city committee circles that Frank Smith plans to dump his honor by opposing Tate for reelection in 1967, it has become necessary for the mayor to construct his own political machine. The only available building blocks are Negro votes. The only source of jobs to buy these votes is in the poverty program. Obviously the director of PAAC had to be a Negro. The question: Which Negro?

The choice lay between the candidate of the Negro ministerial-political establishment, Charles Bowser, and Cecil Moore's candidate, Isaiah Crippins. The battle between the two raged from late December to mid-April. First one side, then the other would seem to have the inside track. At one point Tate sent a list of names to Sargent Shriver asking him to decide. Washington was amused but refused. Tate then offered his own compromise selection, Richard Edwards. Edwards had been appointed by Tate as a deputy police commissioner and served briefly until he flunked his civil service test. The policeman candidate was hooted down by both factors of the Negro community.

At last the administration Negroes—the Reverend William Gray, Councilman Thomas McIntosh and Congressman Nix—won out. Charles Bowser was appointed director at $17,250 a year.

Bowser is a short, quiet young man whose major claim to political reward appears to be his continual residence in North Philadelphia from his birth in 1930 to the present. A lawyer, a Boy Scout, an Elk, and a veteran, Bowser is a graduate of Temple University and active in the Bright Hope Baptist Church run by politically powerful Rev. William Gray.

Bowser was brought into public life by Dilworth who appointed him to the police advisory board. "The thing to remember about Bowser," said a Washington-paid OEO specialist, "is that he's a good boy."

Isaiah Crippins was awarded second prize by the ingenious solution of creating a new post—general counsel. Lawyer Bowser could have Lawyer Crippins as his attorney. Manpower commissioner and former official city booster, Paul B. (Burt) Hartenstein was put on as training director to do the work.

Cecil was not appeased. He decided that Crippins would have no part of such a sell-out. Crippins, however, with a history of tax troubles, saw the offer in a different light. "The program in Philadelphia," he declared, "is larger than Mayor Tate, Charles Bowser or Isaiah W. Crippins." Rising above factionalism, he snapped up the $15,250 a year job without even so much as a by-your-leave from his erstwhile mentor, Cecil Moore. At the official swearing-in Judge Raymond Pace Alexander joined into the spirit of things by advising the new troika of poverty leaders to, "Play the game, fight hard, and get into those ghettoes."

Cecil blustered for a while about running his own slate of poor and taking over PAAC via the electoral process. Then he lost interest. Demonstration, not organization, is his strong point.

TO THE POLLS

During the interim when the two major Negro leadership groups were locked in battle for the executive directorship, the machinery of the famed poor people's election was being devised.

Twelve poverty districts were created along traditional neighborhood lines. Each was to be serviced by its own 12-member community council. The purpose of the election was to choose these 144 community council members. The council members in turn would choose their representative on the citywide PAAC board.

"Enthusiasm," McNeil said, "is built into the plan. The election aroused some initiative on the part of the people to get elected." The councils will hold down meetings, provide feedback to their neighborhoods as projects are approved and provide suggestions for programs. PAAC's job is to tap and test these ideas.

With the elections safely over and the 12 poor people's representatives chosen from among the 144 elected community council members, Philadelphia's poverty program was, at long last, set to roll.

Even before the ink had a chance to dry on the election returns, Bowser submitted a $14 million batch of requests to Washington. He did not even pretend that the poor had partaken in their development.

Of the $14 million asked for, $5.9 was granted. The remaining proposals for $8.1 million were turned down as ill conceived and poorly worked out. In the main, they were unrelated old chestnuts that various city departments had been pushing unsuccessfully for years (such as a halfway house for newly released jailbirds).

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[2] The Catholic Archiocese of Philadelphia, the chamber of commerce, CORE, Delaware Valley Settlement Alliance, Federation of Jewish Agencies, Greater Philadelphia Movement, Health and Welfare Council, NAACP, the board of education, the AFL–CIO Council, the Philadelphia Council of Churches, and the Urban League.

[3] He selected Patrick J. Stanton, Charles Gerhard, Samuel F. Evans, Pascual Martinez, and Fred Corleto.

Bowser announced that the reason for the refusal was "a shortage of Federal funds." That even he didn't believe his own propaganda was demonstrated when he quickly asked Washington to put $6 million in escrow until he could find someone, somewhere to concoct a way for the dough to be spent in Philadelphia.

TRIPLE PLAY

To date, $12.5 million in poverty funds has oozed into Philadelphia. This sum is equal to that spent annually by the city on recreation. It represents a 5-percent addition to the total municipal budget. The question is what, if any, benefits have been purchased with the inundation of cash?

Roughly one-third of the Federal allowance has gone into education. By far the largest and most important program is geared to preschool training and is run by the board of education. Head Start and Get Set are part of a nationwide effort to eliminate the first grade dropouts—the millions of children who start to fall behind from the first day they enter school.

Said Mrs. Cora Knowles who presided over a class of 15 at the Chester A. Arthur School at 20th and Christian during the summer, "It was all informal teaching. Through play we got the children to learn the things middle class youngsters learn from their parents such as how to sit still, how to count, and, above all, how to ask questions."

Although it is too early to evaluate the success of preschool training, when the time comes it will be possible to judge the concept of its merits. In the meantime, poverty moneys has enabled the board to nearly double its preschool program without taint of scandal or politics.

The second third of the bundle has been split between Leon Sullivan's flourishing job retraining center and a gaggle of health and welfare agencies' job-training programs. Sullivan, not connected in any way with the city, has come up with an exceptional program on his own. He was consequently awarded $1.7 million and has expanded operations into training centers in West Philadelphia, South Philadelphia and Germantown. In addition, he set up a feeder plant where applicants waiting to enroll are taught basic English, deportment and dress. To insure that his graduates don't slip back into the sloth of despondency from which they have been lifted, Sullivan has hired a crackerjack team of job recruiters who place the newly trained.

The last third of the money has unfortunately gone into Tate-controlled projects. More ominous still is that all future grants will have to be okayed by His Honor.

The Tate cache has been spent on the top-heavy political superstructure, PAAC, and on the scandalously run neighborhood youth corps and summer camp and work programs.

Although there is much talk by PAAC people such as McNeil and Bowser about the role of the poor, the substance is, of necessity, of little consequence. So far, it has consisted of two polls, one taken by teenagers, the other by community council members, to ascertain what slum dwellers think they need.

The trouble with this approach is that it is largely fraudulent. When poor people state that they want better housing, or an overburdened, impoverished mother makes a plea for day-care centers, they haven't created a program and it is hypocritical and patronizing to pretend that they have.

FRONT MONEY

To finance this charade PAAC will spend $768,159 over the next year to pay staff salaries and operate its headquarters and 12 field offices.

In addition to the $47,750 allocated to Bowser, Crippins and Hartenstein, a $13,000 per annum lady director of Organization and Services and four community action coordinators are on the payroll at $9,000 each, a youth specialist draws down $9,114, a public relations assistant gets $10,250, an administrative assistant $8,250, a dozen social service officers receive $6,750, and assorted stenos, clerks, and typists are in the $4,500 bracket. In addition, PAAC tried to put its 144 election winners on the payroll at $100 a month until Washington blew the whistle.

Despite Bowser's brave public declaration, "If any committeeman or politician contacts me about any of these jobs, that person will not be hired," no candidate was selected who did not have political sponsorship and who had not been cleared by the mayor's patronage chief, Tom Rogers. It is significant that although half of the poor are white, only a handful of whites hold jobs in the program. PAAC is the Negro politicians pork barrel.

Proof, if further proof were needed, that Bowser and Co. care more about patronage than poverty was offered when they attacked the Little Neighborhood Schools. The LNS is a small nursery school started in North Philadelphia before PAAC was born. Technically it is a community action program. However, it received its meager $22,000 Federal grant independently of the city's program. This independence rankles. And when LNS had the temerity to make job appointments without clearing them through PAAC, Bowser struck back. In chorus with Chief Counsel Crippins he charged LNS with fiscal irregularities and demanded that Washington disinherit it. The demand was rejected. However, an OEO official did concede that although the Federal Government "reserves the right to aid any projects for the poor," he did not believe "that it would be necessary to bypass PAAC again."

The most notorious city poverty program is the Neighborhood Youth Corps, a project that purports to impart basic employment skills to failure-oriented youths between 16 and 21.

Contrary to the U.S. Department of Labor statement that there will be "no implications of make work, handout or charity in Youth Corps jobs" and that "the corps will perform socially useful and necessary projects," most of the jobs provided do not call for the development of skills. In those instances where city agencies, like the housing authority attempted to develop genuine job-training programs, they were met with the implacable and politically powerful opposition of the labor unions.

One group of Neighborhood Youth Corps boys, at the suggestion of that master city administrator, Fred Corleto, is scraping old campaign handbills off of lampposts. Another bunch of boys is plucking weeds in Fairmont Park. Literally hundreds of Youth Corps girls have yet to receive assignment anywhere and are sitting around being trained by osmosis. Predictably, the dropout rate among the dropouts is high.

In an attempt to defend Youth Corps programing a welfare department higher-up said, "You can't give these kids anything but the most rudimentary tasks. You have to get them used to the idea of working and the simple discipline of just showing up."

Other critics wonder if monotonous, unskilled, make-work projects could ever instill discipline in anyone, let alone in kids who view the working world as square.

THE LINEUP

Run by George Brown, who formerly headed up the city's excellent Youth Conservation Corps, the Youth Corps has been staffed on a strictly political basis. The results have been breathtaking. Instructing and counseling boys and girls with low scholastic aptitudes and lower aspirations have been some characters from the wards. Among the first 16 group leaders hired, 13 had arrest records. One group leader had a list of 14 separate charges including larceny and assault and battery with a knife, a second had eight charges against him, and a third had a history of seven morals counts almost all of which were forcible sodomistic sex acts with minor males.

To make matters worse these same recruitment methods were used in hiring over 800 recreational leaders for the summer day and overnight camp projects. Hired as counselors were persons with records of fraudulent conversion, gambling on the highways and keeping and maintaining disorderly houses.

Also best left to the imaginations are the range of future programs to be dreamed up by the Povertyteers.

However, it does seem pretty safe to assume that until Philadelphia's poverty program is completely extracted from politics and patronage, the most likely gainers will not be the poor.

S. 938—THE RESOURCES AND CONSERVATION ACT

Mr. McGOVERN. Mr. President, in 1864, over a century ago, George Perkins Marsh, philologist, diplomat, and Congressman from Vermont, penned one of the most prophetic books ever written by an American, "Man and Nature." In it he wrote:

> Man is everywhere a disturbing agent. Wherever he plants his foot, the harmonies of nature are turned to discords.

Congressman Marsh never saw a bulldozer, nor the asphalt and concrete cities of the 1960's, nor any of the numerous leviathans of technology with which enterprising 20th-century American man has learned to increase his effectiveness as a disturbing agent. Yet, a century ago, this scholar foresaw that the covering of the soil with houses and highways, the ruthless plowing of the land, the excessive logging of the forests, the damming of the rivers and streams, the poisoning of the atmosphere and waters would lead Americans toward a grim and anxious future.

Marsh's vision of conservation was what we might call whole. He saw man's fate interlocked not with just one feature of nature, but in relationship to climate, atmosphere, forests, rivers, land, and wildlife. While he did not have a kitchen faucet with hot and cold running water, nor air conditioning to control the temperature in his house, nor did he work or ride to work on miles of concrete, he never lost sight of the fact that man was a creature of nature—sustained by the air, fed by the soil, preserved by the waters of the planet, like other creatures of nature about him. Is it possible that today we have let our technology delude us into thinking that we are set apart from the rest of the earth's inhabitants?

Marsh articulated the philosophy of conservation. The professions and politics of conservation followed. The first professionals in resources and conservation emerged on the American scene at the beginning of the 20th century: foresters, ichthyologists, hydrologists, agronomists—and with their appearance, conservation developed into a science—a science to become steadily more technical, more compartmentalized, and more alienated. Its tendency was to lose sight of the "whole view of what industrialized American man would do to the lush virgin continent to which this Nation so fortunately found itself the inheritor."

From a philosophy and a movement in which dedicated amateurs worked, conservation became a science, or a whole array of sciences. Today, it is highly technical and professionalized—a mixed blessing. Experts have appeared in many areas—to look at forests only, or water only, or wildlife only, as individual concerns apart from the rest.

This compartmentalizing brought with it a myriad of Federal agencies with fractional responsibilities in the broad field of resource use and conservation. As a consequence, the activities of Government in this vital resource area are spread, horizontally and vertically throughout the government structure, including local, State, and Federal sectors.

One result is that today—after a hundred years of concern with conservation—no Member of the Congress and no private citizen can receive authoritative replies to broad questions: "How are we doing? What are our prospects? Will our resources of land, water, air, timber, rangeland, wildlife, recreation, and scenery sustain us in the year 2000?"

We are charged with the task of making wise, long-range resource development policies. But we do not have access to the information we need to make those decisions judiciously. We have a tangle of programs and officials going in a multitude of directions, all interrelated but, at the same time, compartmentalized and confined.

Let me illustrate the scope of our operations federally in the resources field and the magnitude of our task when trying to unravel it by using the current session of Congress as an example. In the U.S. Senate there were 94 measures introduced before July 15 dealing with resources and conservation policy. This figure excludes all bills relating to specific development and conservation projects such as the Garrison irrigation project, Tocks Island Recreation Area, a specific park or a natural monument.

I have broken these 94 proposals down into a number of categories. I have found, for example, that there are 30 proposals dealing with the conservation and use of land. There are 17 bills relating to minerals and mining, and 16 are concerned with the protection of fish and wildlife. Water pollution is the subject of 11 measures, some dealing with water pollution alone and some including air pollution, which is covered in 7 proposals. Recreation is the topic of 10 measures, water supply and use is the subject of 16, and marine and oceanographic resources are intensively considered in 6.

Some of these bills, of course, are included in more than one category because they cover more than one topic. While one measure may deal exclusively with water pollution, another may cover marine resources in a very broad sense as well, or may be primarily related to housing or urban development.

The overlapping and interrelation of Federal responsibilities in all of these areas is made clear by the fact that the 94 measures were referred to eight separate committees of the Senate. No one committee had a monopoly on any single conservation or resource subject.

Significantly, the 11 measures on water pollution were referred to five different committees: Public Works, Finance, Commerce, Government Operations, and Agriculture. The 30 measures on land use and conservation went to seven separate committees; the five already listed plus Interior and Insular Affairs and Banking and Currency.

But let me go further. Of the 94 measures, 18 would create new public offices, committees, commissions or agencies, ranging from fact finding boards to new executive departments. Using water pollution as an example once again, there are three bills which would create Government bodies to be a part of Federal activities in this field—all at different levels. One would create a technical committee within the Department of Health, Education, and Welfare; another would create a Federal Water Pollution Control Administration in the same Department; and the third would establish coordination of Federal water pollution activities as a function of a new Office of Community Development in the Executive Office of the President.

Moreover, there are cases in which two or more proposals designed to accomplish essentially the same thing in the resources field are referred to different committees. Two of the water pollution coordination measures went to the Committee on Public Works, and a third was referred to the Committee on Government Operations. Or, using another example, two bills were introduced to coordinate and intensify Federal oceanographic and marine study and research. One was referred to the Committee on Government Operations, and the other went to the Commerce Committee. I am not implying that any of these committee references were improper. They merely serve to illustrate the complexity and confusion of the machinery with which we deal with resource and conservation problems both in executive agencies and in the Congress. We have let the subject be fragmented into dozens of parts.

I could relate more, but I believe this is sufficient to indicate that the intricacies of Federal resource and conservation action are virtually insoluble without some form of coordinated evaluation—some effective means of learning where we stand, how the bits and pieces are fitting together, and how well all of the things we are doing will serve to meet our needs.

We do not now have such a means, so we move forward as best we can with the fragmentary information available to us. As a result, in all too many cases, planning suffers and our actions are piecemeal reactions to emergencies. We are, for example, all painfully aware of the water needs of the Northeastern United States this summer. The emergency situation there will surely give great impetus to our water supply efforts. Major steps are already being taken in our studies of saline water conversion. But all of these actions and more are too late to be of benefit to the citizens of New York City in the long, dry summer of 1965. Long-range planning and development should have begun on a systematic, coordinated basis long ago.

All of this is clear evidence of the need for the U.S. Congress to have an annual report—not a decennial study—on where we stand in the various aspects of conservation, development, and utilization of natural resources. There can be no justification of waiting for a crisis affecting the national security, or a critical civilian shortage of one or another of the resources on which our general welfare or our national survival depends, before we find out that our planning has been inadequate and our works inappropriate.

Emergency programs are not only worrisome and often inadequate, they also tend to be costly and inefficient. In 1935 we could have purchased 400 miles of seashore recreation area on the Atlantic and gulf coasts for $14 or $15 million. At that time there were no requirements projections looking ahead to 1965—or even to 1950. As a consequence, on this one type of resource requirement alone, the Nation will have to pay out a billion dollars more than would have been required 25 years ago.

There might have been enormous savings had we had projections over even the past 10 years; lacking them, we are now having to pay the price of insufficient information in staggering appropriations to meet the requirements for outdoor recreation resources demanded by an effluent, burgeoning population.

In connection with recreation resources, I want to pay tribute to Senator CLINTON P. ANDERSON, to the late Senator James E. Murray to Vice President HUBERT HUMPHREY and all the others who worked with them for early recognition of the rising recreation resource emergency in the fifties.

It was my privilege to sponsor the original wilderness bill in the House of of Representatives. The Vice President was its first author in the Senate. Thanks to farsightedness in this field, we have preserved the Nation's opportunity to reserve a considerable amount of wilderness and scenic beauty without billions of dollars acquisition expense—and to preserve bona fide wilderness, undisturbed by man.

Thanks to Senator ANDERSON'S initiative, not only was the wilderness bill finally enacted—he finished that job with the brilliant help of Senator FRANK CHURCH—but a nationwide review of the whole recreation resources emergency was conducted in 1959 and 1960.

Again thanks to Senator MIKE MANSFIELD who first suggested it, and the late Senator Murray of Montana and the senior Senator from New Mexico, who followed through, we have had a recent decennial study of water problems which, unfortunately, is not being kept up-to-date so we can see how we are doing in meeting those problems from year to year.

In almost every other field—I mention economics and demography as illustrations—there are infinite current statistics to guide our actions in both public and private enterprises. But on the natural resources and conservation front,

nobody now reports to the Congress, or the President, or the people, whether overall we are gaining or losing in relation to our requirements—or whether in 10 or 20 years the foreseeable requirements of our people can be supplied and sustained. We should not allow this State of affairs to continue.

A permanent mechanism should be set up to study and develop and report on whole programs and policies that will protect and prudently use all of our natural resources of soil, water, forests, air, minerals, grazing lands, fish, and wildlife, and related recreational, scenic, economic, and scientific qualities in our life and heritage.

Two late, great Members of this body—Senator James Murray of Montana and Senator Clair Engle of California—sought some 5 years ago, in 1960 and 1961, to set up such machinery for the Congress and the President to use. Today I urge the consideration of that proposal somewhat modified, which would be authorized by S. 938, "To declare a national policy on conservation, development, and utilization of natural resources." My proposal calls for an annual report to Congress from the President, assisted by a Council of Resource and Conservation Advisers, on the condition of the Nation's natural resources, particularly in terms of their multiple-purpose use; trends in their management and use; an evaluation of their adequacy and availability; a review of all conservation programs and activities and their expected effects; and a suggested program for carrying out the national policy, including proposals for legislation. At any time, this annual report could be supplemented by the President with additional reports or suggestions for legislation having to do with natural resources conservation and development. To assist the President in preparing the annual report, the bill provides for a three-member Council of Resources and Conservation Advisers, appointed by the President with the advice and consent of the Senate. These advisers would be qualified by training, experience, and accomplishment to analyze and interpret natural resources policy and to formulate recommendations. The council could utilize whatever sources of information, services, and facilities—public or private—which would be available either through cooperation, or by employment of its own staff.

The annual report of the President to the Congress would be referred to select committees on the Resources and Conservation Report in the Senate and in the House. The select committee in the Senate would be made up of the chairman and ranking majority and minority members from the Committees on Interior and Insular Affairs, Public Works, Agriculture, and Commerce. The President pro tempore of the Senate would appoint the chairman and vice chairman of the Senate select committee, and the Speaker of the House would make similar designations for the House select committee.

Each of these select committees would make a continuing study of the President's report and/or assign such studies to the appropriate standing committee of the House and Senate; the select committee of each body would make reports on resources and conservation matters and on studies undertaken as it deems advisable.

These select committees would bring together the leaders of the major committees in Congress dealing with resources at least once a year to consider together, in connection with the annual Resources and Conservation Report, the overall situation and the broad resources picture.

Two decades ago, in 1946, the Congress declared that it was the continuing responsibility of the "Federal Government to foster and promote free and competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power." The Employment Act of 1946 has been hailed in many quarters as the major achievement of the Congress in the 20th century. Authored by Senator Murray, it established a Council of Economic Advisors in the Office of the President and a Joint Economic Committee in the Congress. The approach taken in S. 938, the "Resources and Conservation Act of 1965," is a similar approach in the area of resources and conservation.

In the Employment Act of 1946, the Congress asserted that it is the national policy of the U.S. Government to create a climate in which human resources will be utilized. It seems to me, and to the 15 other Senators who have joined with me in sponsoring S. 938 that the Congress has an equal responsibility to take the necessary steps which will preserve and utilize in their most productive state our natural resources. If the Congress and the Federal Government are on record as being responsible for doing all they can to insure a sound and progressive national economy, then it appears to follow that there is likewise a governmental responsibility to assure the proper and best use and conservation of our natural resources. Our economy cannot long remain dynamic if our resources are wasted or developed in an uncoordinated, piecemeal manner.

I do not criticize the Federal agencies because they have not engaged in the kind of overall resource planning that we are here concerned with. Each of these agencies has been assigned a specialized and limited mission. All of these programs at whatever level have merit and many are excellent and essential in themselves. However, this restricted approach by each agency or department results in a sort of jigsaw puzzle of conservation, where no one ever puts all the pieces together to see what the total picture is or where we are going to come out at the end. We clearly need to develop a better program of coordination among the many agencies of the Federal Government, along with the various levels of State and local governments, as well as with industry, agriculture, labor, conservationists, and private property owners. All of these groups are interested in developing the best possible long range programs for the conservation and utilization of our land, water, minerals, forests, and wildlife. The essential mechanism for the coordination of these programs and policies in the best interests of the Nation is the missing feature.

The Resources and Conservation Act of 1965 would place this review and coordination job in the Office of the President, where with the assistance and counsel of his advisers, he might make unified evaluations and recommendations to the Congress regarding the attainment of the maximum potential of America's natural resources for our generation and those to come after us.

The late President Kennedy, when he was campaigning across the country in the 1960 presidential campaign, stated again and again that all our resources programs involving numerous Federal agencies require coordination by the executive. He supported the Resources and Conservation Act, with its concept of high-level professional advisers in the Office of the President. He so stated in Durango, Colo.; Helena, Mont.; Redding, Calif.; Billings, Mont.; and Phoenix, Ariz. In his great natural resources message to the Congress on February 23, 1961, President Kennedy presented a stirring challenge once again:

> This statement is designed to bring together in one message the widely scattered resource policies of the Federal Government. In the past these policies have overlapped and often conflicted. Funds were wasted on competing efforts. Widely differing standards were applied to measure the Federal contribution to similar projects. Funds and attention devoted to annual appropriations or immediate pressures diverted energies away from long-range planning for national economic growth.

President Johnson, in his conservation message on February 8, 1965, has again stated the challenge in eloquent terms:

> The same society which receives the rewards of technology must, as a cooperating whole, take responsibility for control * * * to deal with these problems will require a new conservation * * *. Our conservation must not be just the classic conservation of protection and development, but a creative conservation of restoration and innovation. Its concern is not with nature alone, but the total relation between man and the world around him.

Congressman Marsh would have agreed with President Johnson, because that was exactly what he was telling his fellow Americans a hundred years ago—long before it was called ecology. The wheel has made its turn, from the prophet of 1864 to the leader of 1965 in conservation of all resources, both human and of nature.

During the second session of the 88th Congress and in the first session of the 89th Congress, we have been implementing President Johnson's concept. We have been giving the President, the Government at all levels, and the American people, one conservation tool after another: The Classification and Multiple

Use Act; the Water Resources Research Act; the Land and Water Conservation Fund; the National Wilderness Preservation System; the wetlands acquisition program; the Public Land Law Review Commission; the Economic Opportunity Act which establishes a Youth Conservation Corps for work on public lands; the Appalachia Act; the water pollution control bill now in conference; the wild rivers preservation bill now before both Houses; the Water Resources Planning Act; the expansion of the saline conversion program; the Federal Water Project Recreation Act; the Federal installations, facilities, and equipment Pollution Control Act already passed by this body; a program for the expansion of oceanographic research and the establishment of a Commission on Marine Sciences, Engineering and Resources; and the air pollution control bill.

This is a brilliant array of tools. Now the next concern must be: How do we put them together? Do we have the organizational setup to make all of these programs work? Does the President have the kind of assistance he needs to reconcile all the conflicts over resource use which our growing, urbanized, industrialized population engenders? To return to my opening question—How can modern man make the best possible use of his natural environment? Can our political leaders and conservationists and agency planners be wise enough to fit together their short-term programs for a long-term yield? A major answer to these questions would be the enactment of the Resources and Conservation Act.

From the broad and fundamental consideration of Congressman George Perkins Marsh to the experiences and pragmatic liberalism of the late Senator James Murray of Montana, Senator CLINTON ANDERSON, of New Mexico and the bright and promising enunciations of President John F. Kennedy, President Lyndon Johnson, and Vice President HUMPHREY, a century of thought and action in the field of conservation has brought us to the threshold of this great consolidation of our resources policies and concerns. Action is needed now to bring all the pieces together into a unified whole.

When I introduced the Resources and Conservation Act on February 1, this year, I quoted to the Senate a paragraph from a report to the President by the National Academy of Sciences on renewable resources, which said:

> It is evident that optimization of natural resources for human use and welfare cannot be achieved by fragmentary and sporadic attention given to isolated parts of the problem, but that the issues involved must be made the subject of a permanent, systematic process of investigation, recording and evaluation, carried on continuously in reference to the total perspective. It would appear mandatory, therefore, to entrust an independent organization with the task.

This does not mean a new administrative agency is necessary. It means that we should do in the field of resources what we have done in the economic field—create a council of advisers who can stand a little apart and take a careful overall look at resource and conservation programs and needs to assure abundant resources in 1980, 2000, and for all the years to come.

We have done an outstanding job of coordinating economic policy, and bringing the many Federal activities which effect economic growth into harmony through the Council of Economic Advisors, the annual economic report and the Joint Economic Committee. We have been able since 1961 to stimulate economic growth rate and sustain a high level economy for the longest period in our national history.

We can end the conflicts and bring harmony again in resource and conservation matters through the same sort of instrumentality we use in the economic field—not a new administrative agency, or a new competitor for prerogatives, but an agency which will help existing agencies weave their programs into a pattern which restores harmony between man and nature, ends the erosion of our resource base, and assures supplies to meet the needs both of our generation and of generations to come.

I urge the serious consideration of all those concerned with resource problems—and the many bills before this Congress testify that such concern is widespread—of S. 938.

BIG BROTHER: A VIEW FROM BRITAIN

Mr. LONG of Missouri. Mr. President, recently, on August 26, 1965, the Manchester Guardian published an excellent article on "The Right to Privacy." It should be most interesting for Americans who are concerned with the subject, especially those of us who are charged with considering the need for legislation in this field. Therefore, I ask that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Manchester Guardian, Aug. 26, 1965]

THE RIGHT TO PRIVACY

Detector capsules which may be swallowed unknowingly can transmit to a distant listener everything a person says. This item from the world of telecommunications made the starting point on Sunday night for a British Broadcasting Corp. broadcast discussion on the right to privacy. It wound up with the reminder that among the human rights acknowledged by the United Nations is freedom from arbitrary interference with privacy—family, home, or correspondence. With the means of observation and recording developing at an explosive rate, what rights does the individual have to be protected from what he would, in simple terms, call snooping, eavesdropping, and intrusion?

In the English law the position is far from clear. In 1961 Lord Mancroft introduced a right of privacy bill into the House of Lords. It made no progress, not because it was held that the existing law was adequate to protect a person's legitimate privacy, but because it was thought impracticable to distinguish between improper invasion of privacy and the due reporting of matters of public interest. And there the matter still stands. But the cause of public concern (such as it is) has changed and is changing. Then the main complaint was the conduct of journalists chasing the trivialities of the gossip column. Now there is rather more particular anxiety about the use of new devices, and not chiefly by journalists.

Is it proper to use television to keep watch against thieves on car parks and in shops? Or to record conversations unbeknown to the participants? In the BBC discussion an important distinction was made between observing wrong conduct, which was held to be a legitimate use of television for criminal investigation, and the recording of speech which, when unguarded, is liable to be seriously misleading. The law already implicitly recognizes the point in requiring a suspect to be formally warned, when he is questioned by the police, that what he says may be used in court against him.

The developing of communications of all sorts has made the world much less private for public figures. But this is a price to be paid for going into public life, whether in the accepted public occupations such as politics or entertainment, or in positions of authority in the professions and in business. Here the public (mainly through the agency of the press) has "a right to know." But again a distinction has to be drawn which is not at present defined by the law. The public has the right to know what is a matter of public concern, but not what is merely a matter of popular curiosity. Public figures are entitled to privacy in their family lives and in their leisure, and to be protected, among other things, from the attentions of photographers with long-range cameras.

If the pressure for a defined right of privacy grows there will be the inclination to misuse it to buttress the habit of secrecy in matters of public interest. That will have to be watched and resisted. While the right to know does not extend to trivial gossip, the right to privacy should be no bar to inquiry in public affairs. This again is a principle that deserves to be written into the English law. Lord Shawcross would allow the defense of qualified privilege for the publication in the press of matters of public concern and interest. Once this were conceded it would be easier to secure the right of privacy on defined grounds.

SENATOR HART'S STATEMENT ON DOCTOR-DISPENSING OF EYEGLASSES

Mr. MONDALE. Mr. President, we in Congress who care about—and fight for—consumer causes do not hesitate to acknowledge the magnitude of the load carried in this area by the junior Senator from Michigan [Mr. HART].

Frankly, when he talks of consumer problems, we listen. And we learn. Therefore, it was with great interest that I followed hearings held by Senator HART's Antitrust and Monopoly Subcommittee on the question of doctors profiting from the sale of products they prescribe. Last year, the hearings centered on doctor-ownership of pharmacies and drug packaging companies. This year, they dealt with doctors selling eyeglasses.

Based on the information developed in these hearings, Senator HART has announced he plans to introduce legislation aimed at prohibiting a doctor from profiting from such sales. If Senator HART, in his usual fairminded way, has decided legislation is needed, we must all be aware that there is indeed a problem in this area.

Mr. President, I ask unanimous consent that Senator HART's statement at the close of the eyeglass hearings be inserted in the RECORD at the conclusion of

my remarks. In this, he outlines exactly what legislation he thinks is needed. Also, I would like inserted a story by Morton Mintz from the August 9, 1965, Washington Post which elaborates on the concern with which doctors themselves view this practice.

I think my colleagues should be aware of the problem which exists and these two pieces do an admirable job of presenting it briefly.

There being no objection, the statement and the article were ordered to be printed in the RECORD, as follows:

CLOSING STATEMENT BY SENATOR PHILIP A. HART ON DOCTOR-DISPENSING OF EYEGLASSES

This committee seldom is asked to resolve uncomplicated problems. But the case before us is even more difficult than most.

We are asked now to determine if a doctor's profiting from the products he prescribes is harmful to competition and consumers.

Last year we heard that 5,000 physicians were owners of small drug companies. An additional 3,000 or more were designated as owners of pharmacies. Both of these figures are conservative because ownership of these businesses is difficult to ascertain. Now we learn there are approximately 2,500 ophthalmologists who sell eyeglasses. Conservatively, then, we have 10,500 doctors profiting from products they prescribe. There is reason to believe that considerably more of the Nation's 200,000 physicians have earnings from similar commercial endeavors.

All indications are that next year there will be more—and the year after that still more.

In this situation we consider not only conflicting economic interests of trade groups; here we have men who are indeed acting as merchants but who are members of a profession which all Americans set apart—and to whom all turn with confidence and trust for treatment of their most valued possession, their health.

This trust is essential in the doctor-patient relationship. And it is an integral part of the problem before us. For in most other purchasing decisions the consumer operates to some degree against the background of "let the buyer beware." In these cases, the total—and essential—trust which a patient has in his doctor proscribes this. This trust, then, must be considered in our deliberations.

Before going any further, let me make clear that I do not for a minute think that all doctors who own pharmacies—or sell eyeglasses—are operating in an unethical manner. Many, I am sure, sell drugs or glasses because in their opinion this is the way best to serve their patients.

But this record indicates that a substantial number do not operate with this motivation only. As a result consumers suffer. Competition suffers. Perhaps most dangerous and regrettable, the degree of patient trust in the doctor is weakened.

Cases have been presented which substantiate the accusation that some doctors always charge more for glasses than would the optician and in some cases the quality and fit was poorer.

Worse, we have been told of cases where doctors have increased their daily workload so that it is difficult for them to give the necessary medical attention each patient needs.

Clearly, these cases are in the minority. But they demonstrate how far down the road this practice can lead physicians. And they are to be compared to examples detailed in last year's hearings where purchase of a pharmacy seemed to lead to overprescribing by the doctor-owner. We heard of one doctor who wrote $10,000 worth of drug prescriptions the year before and $50,000 the year after he bought a pharmacy.

By interfering with—and sometimes even denying—a patient's right to take his prescription and shop for the best style, quality, and price, a doctor dispensing his own wares not only takes advantage of that patient but also interferes seriously with the competitive opportunity of other sellers of optical goods. The result is to restrain trade. Competition is lessened and competitors are injured. We have learned of opticians forced into bankruptcy—of one who lost 40 percent of his business in the year after doctor-dispensing began in his city—and of many others similarly damaged.

The economic effect the practice can have—and has had—on the consumer is documented also. Included is one survey that showed consumers paid $7.50 to $15.10 more for glasses from a doctor than they would have from an optician. Further, we learned of many cases where consumers couldn't wear the doctor-dispensed glasses without adjustments by an optician. In one case, a lady was charged $65 by a doctor for glasses she couldn't use and ended up paying an optician $33 more for a pair she could.

If the disadvantages of "doctor merchants" were limited to the field of eyeglasses the problem would be serious enough. Unfortunately, last year in our hearings we learned that the same problems exist in the area of doctor-ownership of pharmacies and drug companies.

Three ways to eliminate these practices once were seen as possible—action by the American Medical Association, action under present law, or writing new law.

The AMA, unfortunately, seems incapable. The association nationally says it is a matter for the local societies. Local societies, we have found repeatedly, do not cope with these situations. Usually they say it is a problem for the national association.

Further, reputable doctors have appeared before us and said that dispensing ophthalmologists would rather give up AMA membership and hospital privileges than deprive themselves of the financial rewards of dispensing.

The testimony of nondispensing ophthalmologists—in person, by telegram, and by letter—I think deserves special consideration. For while it might be possible to explain away the case presented by the opticians, it is impressive that members of the profession themselves vehemently condemn the practice.

On the question of how effective any medical association ruling against the practice might be, two things should be noted.

First, two surgeons who dispense glasses appeared at these hearings. Neither belongs to the American College of Surgeons, which does have a rule against doctors selling glasses. One of the doctors said he did not belong because he does not agree with this ban.

Second, the AMA had an ethical rule flatly prohibiting doctors from profiting from sale of prescribed products in 1951 when the Department of Justice obtained consent judgments to stop 4,000 ophthalmologists from accepting rebates from opticians. The AMA ethic today proscribes a doctor selling products unless it is "in the best interest of his patient."

As for present law eliminating the practices, we have had reports from the Department of Justice and the Federal Trade Commission that present law cannot do the job.

All that is left open is writing new legislation. This I do not like; it is not an area in which I would enjoy seeing legislation written.

But, as I said at the close of our hearings last year on doctor-ownership, the consumer and the independent businessmen deserve protection from doctors who abuse their prescription power for private monetary gain.

Until 1955, the American Medical Association prohibited this with a simple ethic: An ethical physician does not engage in barter or trade in the appliances, devices or remedies prescribed for patients, but limits the sources of his professional income to professional services rendered the patient.

That ethic made good sense then; it makes good sense now.

As soon as practical I will introduce legislation to give that ethic the force of law. In drafting such a bill we will have to iron out the problems caused by exceptional situations. For example, we must consider the remote areas where technicians such as opticians and pharmacists may not be available. Also, we must weigh the effect of the fact that in some cases—such as opticiary—not all States license the technicians who fill prescriptions.

But the problems of drafting the bill seem to me worth the effort, for legislation appears the only way to protect the interest of the consumers, nondoctor competitors and the doctor himself.

[From the Washington Post, Aug. 9, 1965]

DOCTORS ASSAIL GREED OF SOME EYE SPECIALISTS

(By Morton Mintz)

Probably never before have physicians at a congressional hearing looked through a glass so darkly at other physicians.

"It is not easy for me," said Dr. Christopher Wood, "to testify that the unethical practices of a majority of my fellow ophthalmologists are a disservice to the heritage of medicine and, more important, to their patients."

A second eye specialist, Dr. Alfons F. Tipshus, asked if ophthalmology is so deeply infected "with the germ of greed that it may contaminate the rest of medicine?"

A third, Dr. Clarence B. Foster, said, "For too long, I sat in silence while many of my fellow physicians deliberately flouted ethical and moral standards in their quest for every dollar they can acquire."

ATTACKS NOT NEW

Public denunciations of organized medicine—by persons outside of it—are nothing new. They were heard last year for example, when Senator PHILIP A. HART's Senate Antitrust Subcommittee showed that about 8,000 doctors had interests in pharmacies and drug repackaging plants.

The attacks were renewed by opticians—who admittedly have a lens to grind—in the Michigan Democrat's 5-day hearing on doctors who sell the eyeglasses they prescribe.

But not until this hearing, which ended last Friday, did physicians—voluntarily and in number—join in.

Their language was as bitter as some of their medicines, as sharp as 20–20 vision. They saw their profession being eroded by a kind of Gresham's law in which shabby ethics tend to drive out the good. They depicted organized medicine as unwilling or unable to act and they pleaded for legislation—which HART seems certain to propose.

THE 1951 BAN ON REBATES

The explosive force had been building up since at least 1951, when a constant decree was issued forbidding doctors to receive or opticians to pay rebates on eyeglass prescriptions. At that time, the Justice Department estimated, 3,000 of the Nation's 5,000 ophthalmologists were receiving kickbacks.

Some ophthalmologists hoped that an end to profiting by doctors on eyeglass prescriptions had been assured by the decree and by the American Medical Association's Code of Ethics, which prohibited physicians from selling eyeglasses or drugs unless optical shops or pharmacies were remote.

Such hopes "turned out to be a mirage," HART was told by Dr. Foster, a Southern Pines, N.C., ophthalmologist, who has found it possible to make a reasonable living—not the

two Cadillacs and country club type—by confining his practice to rendering purely professional services.

CALLS IT REPREHENSIBLE

The decree, he said, merely stimulated some of the colleagues to become "eyeglass merchandisers to their captive patients." He termed this new method "as reprehensible as the kickback system."

The new method replaced the old almost without a pause. HART was persuaded by the hearing evidence that it is used today—in ophthalmologists' offices, in adjoining offices, as in doctor-owned optical firms—by at least 2,500 of the 6,200 ophthalmologists, and that it accounts for a substantial share of the $155 million annual business in eyeglasses.

Once the system became widespread, Dr. Foster said, the next step was to induce the AMA to water down its code of ethics so as to bring the system within it. "I have read that no AMA convention has ever attracted so many ophthalmologists as the 1955 session, where this action was taken," Dr. Foster said.

Some of the results described by Dr. Foster included eyeglass dispensing by laymen "with little training" by an optician "who takes the job to survive," or by the doctor himself, "though I know that nothing in his medical training gives him this competence."

PRACTICES REVEALED

He said many ophthalmologists refuse to give a prescription to the patient, impose an extra charge for it or reject responsibility "if the work is done elsewhere."

Spokesmen for the country's 18,000 opticians said that since 1957 the failure rate among independent optical stores has been 10 times as high as that of other retailers.

They submitted evidence—names, dates, places, photostatic copies of doctors' bills—showing that in city after city the prices charged by ophthalmologists are higher—sometimes very much higher—than those charged by opticians. Their estimates of the annual clear profits to ophthalmologists were in the five-figure range.

In Orange County, Calif., testified Dr. Tipshus, who is from Anaheim, 30 out of 40 ophthalmologists dispense glasses. Opticians cited even higher ratios elsewhere—all in Lubbock, Tex., and Bakersfield, Calif., nearly all in Reading, Pa., 15 out of 16 in Charlotte, N.C., 10 out of 11 in a sector of Los Angeles. The ratio in Washington was indicated to be very low.

APPEALS FUTILE

Appeals for help to the Justice Department and the Federal Trade Commission have been fruitless, one reason being that interstate commerce was said not to be involved.

Appeals to local medical societies have been lost in what Optician A. G. Jefferson of Lynchburg, Va., called the AMA's "revolving-door code of ethics."

Optician J. W. Broom, Jr., of Lubbock told HART he had to write the local medical society in his town, the Texas Medical Association and the American Medical Association, without results.

Some of the bitterest testimony came from Dr. Wood, a former member of the AMA's House of Delegates, who goes beyond HART's estimate to say that even by 1962 more than half the ophthalmologists were dispensing glasses.

CONDEMNS AVARICE

After settling in Myrtle Beach, S.C., in 1958, he told HART, he was shocked to find colleagues new to ophthalmology committed to this unethical practice. He condemned their avarice, and I repeat the word loudly and clearly, and said:

"It is an absolute certainty that if there were no money involved, if the patient's care were the only factor, there would be no selling of glasses."

In a letter put in the record, Dr. John W. Dickerson of Norfolk, Va., asked "how one can clearly decide whether a patient needs glasses 'when one can make money by giving the patient glasses.' It makes the profit motive an important part of a medical decision. It is wrong."

Dr. Marvin Joe McKenney of Lansing, Mich., suggested that "more eyeglesses are prescribed in those offices that sell eyeglasses than in those that do not."

The AMA's Dr. William O. La Motte, Jr., a nondispensing Wilmington, Del., ophthalmologist termed "reasonable and responsible" the AMA's code which was revised to say that doctors may dispense drugs, remedies, or appliances "provided it is in the best interest of the patient."

But under questioning by subcommittee counsel S. Jerry Cohen, he acknowledged that in determining the patient's best interest the doctor is, in effect, "lawyer, judge, and jury."

The AMA spokesman and physican-witnesses who do dispense glasses emphasized market-age patients want one-stop service. Optometrists examine eyes and also prescribe glasses. Dispensing of glasses is an integral part of professional ophthalmologic service.

INCONVENIENCE IS SEEN

"A universal prescription against physician dispensing would deny some patients glasses, require other patients to seek incompetent dispensers, and cause still other patients personal inconvenience," Dr. LaMotte testified.

Dr. LaMotte agreed emphatically that certain practices, such as a physician refusing to give patients a free choice as to where to have prescriptions filled, violate AMA ethics.

Often, however, he said, what the AMA gets are generalized complaints, not specific facts. Hart then gave him some cases that the physician concerned to be "ironclad."

Drs. Charles W. Tillett and Marvin Lymberris of Charlotte, N.C., contended that complaints of price-gouging by dispensing ophthalmologists are "completely without foundation." Dr. Tillett said that opticians sometimes charge more, and he cited cases of opticians refusing to fill complicated prescriptions.

PRESIDENT JOHNSON'S TEAM AT THE UNITED NATIONS

Mr. MONDALE. Mr. President, President Johnson has demonstrated in the only way it counts—by his actions—that he supports the United Nations and its vital role.

The most recent example of his determination to contribute to world peace through the United Nations was the announcement of his team at the U.N. As the following column in the August 28 Evening Star, Washington, D.C., states:

It is a team qualified in many ways and the President thought of them all.

Because this column outlines in some detail the qualifications of each member of President Johnson's U.N. team, I ask consent to insert it in the RECORD at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOHNSON'S TEAM GOES TO THE U.N.

(By Doris Fleeson)

UNITED NATIONS.—A Johnson team is in charge of American interests at the United Nations. U.N. diplomats, for all the immense regard and affection they had for the Kennedy choices, feel a certain relief.

It could hardly be a secret from the men and women who are at the United Nations because their countries value their political acumen that the President was more or less keeping the U.S. mission at arm's length. Aware of the power of the Presidency, they are happy to have with them a group of Johnson's choice.

The Johnson manner is again in question. Ambassadors Francis T. P. Plimpton and Marietta Tree and Franklin Williams deserved much more than the cold abruptness of the change. They have served with distinction and their attention to all the little things that count was above praise.

Personality differences no doubt played a part in the change, but its political complexion is its true significance. Johnson has brains and he looks ahead. He has a plan for the United Nations and he is preparing for its political defense at home.

In the surprise appointment of Justice Arthur Goldberg to succeed Adlai Stevenson as U.S. Ambassador to the United Nations, Johnson made plain that he regards the world organization as a bargaining place. He chose, therefore, the best and most famous negotiator the country has to offer.

Goldberg is an activist; sitting and talking is not his line. The bargaining efforts now indicated may not succeed but that will not be for want of trying.

The ground, therefore, must be prepared for defending what happens not just on the scene but to the folks. A congressional campaign is less than a year away, a presidential election 2 years later. Already Republicans are making some telling criticisms of Vietnam policy.

Goldberg has a powerful political constituency in every State, labor and the intellectuals. Charles W. Yost who moves up next to him is a highly regarded Foreign Service officer with marked skill for translating the State Department to Congress. That skill was not among Plimpton's assets.

James Madison Nabrit, Jr., has been president of Howard University since 1961 and has been an active civil rights lawyer. Enough said. He should encounter no problems as representative to the talkative Security Council or in explaining what goes on in areas vital to Democratic victory.

Mrs. Eleanor Roosevelt is gone but her oldest and favorite son, Representative JAMES ROOSEVELT, was available for the United Nations, and while he does not look like his father, he sounds like him. Service in the House since 1955 has taught him the congressional byways and like his mother, he never gets tired of working.

Mrs. Eugenie Anderson of Minnesota is a veteran of its activist politics and a former Ambassador. Her like is to be found, though perhaps she is more simply dressed, in the good works sector of every American town and city. She is an articulate and sensible expert in the soft sell.

In short, it is a team qualified in many ways and the President thought of them all.

A TRIBUTE TO THYRA THOMSON, WYOMING'S SECRETARY OF STATE

Mr. SIMPSON. Mr. President, in an excellent feature article in the September 5 Denver Post, tribute is paid to Wyoming's intelligent and attractive Secretary of State Thyra Thomson. Mrs. Thomson, the widow of former Wyoming Congressman and U.S. Senator-elect Keith Thomson, holds the highest elected executive post of any woman in the United States. She also holds the position, which she values just as highly, of mother and homemaker for three fine boys, ages 13 to 22.

Thyra Thomson was elected in 1962 by what in Wyoming is a very substantial margin—15,000 votes. As the arti-

cle points out, this victory "makes the first lady of Wyoming politics one of the West's most powerful political figures."

Had her husband, Keith, lived, he would have been occupying this Senate seat, but his death 1 month after his election in 1960 deprived Wyoming of one of her finest and most promising political figures.

Mr. President, I ask that the feature article by the Denver Post's Rena Andrews, entitled "Love Affair With Wyoming," be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LOVE AFFAIR WITH WYOMING

(By Rena Andrews)

CHEYENNE, WYO.—Thyra Thomson, Wyoming's first woman secretary of state, holds the highest elected executive position of any woman in the United States. That's because Wyoming has no Lieutenant Governor, so the secretary of state is Acting Governor when the Governor is absent.

This, plus the fact Mrs. Thomson, a Republican, defeated her opponent for the secretary of state's job by a decisive victory—15,000 votes—makes the first lady of Wyoming politics one of the West's most powerful political figures.

And Wyoming's politicians, both Republicans and Democrats, are fidgety because Mrs. Thomson might decide to run—for Governor or the U.S. Senate, not to mention her present job—in the elections of 1966. The general feeling in political circles is that if Mrs. Thomson decides to run—for anything—she'll be a "sure winner."

Meanwhile, Thyra Thomson remains Sphinxlike.

When told that several political figures—representatives of both parties—say they feel certain she could finish ahead in the gubernatorial race, Mrs. Thomson just smiles and says, "I'm flattered." But she adds that Wyoming's Gov. Cliff Hansen, also a Republican, is "one of the greatest men I've ever met."

Would Mrs. Thomson consider running for the Senate?

"I love my job and I love Wyoming," she answers. "There's an awful lot to be done right here in our State."

It's a woman's prerogative not to give her age, but Mrs. Thomson has no qualms about saying, "I'm 49."

Yet, when it comes to her political plans, her answer is:

"Ask me this time next year."

Mrs. Thomson was born in Florence, Colo. She moved to Wyoming when she was in the eighth grade and says she considers the Equality State her country.

A graduate of Cheyenne Central High School, Mrs. Thomson was graduated cum laude from the University of Wyoming in Laramie in 1939 with a major in psychology and minors in sociology and business administration.

Her husband, the late Keith Thomson, was Wyoming's three-term Republican Congressman who was elected to the U.S. Senate in 1960. He died of a heart attack December 9 of that year at his Cody, Wyo., ranch before taking office.

"I wasn't even near Keith when he died," Mrs. Thomson recalled recently. "The children and I were in Washington preparing for the holidays and getting settled." She has three children—Bill, 22; Bruce, 18, and Casey, 13.

"It was so forlorn coming home from Washington after Keith's death," she said. "We had sold our home in Cheyenne and had bought the ranch in Cody. The children and I just drove around aimlessly. Then we spotted a pet shop. This is how we got Tootsie," a mixed breed black and tan dog.

Mrs. Thomson sold the ranch at Cody and settled in a spacious four-bedroom home at 204 E. 22d St. in Cheyenne.

Mrs. Thomson likes to point out her home is only about one and one-half blocks from the home Mrs. Esther Hobart Morris once occupied. Mrs. Morris, whose statue adorns the grounds of Wyoming's capitol building, was the proponent of the legislative act in 1869 which made Wyoming the first government in the world to grant women equal rights.

Until after her husband's death, the closest Mrs. Thomson had gotten to politics was as a Congressman's wife. While living in the Nation's Capital from 1954 to 1961, Mrs. Thomson wrote a weekly column, "Watching Washington," which was published in 14 newspapers. She also "shared and discussed ideas with Keith" about politics.

Today it is hard to say what made Thyra Thomson decide on a political career. Some Wyomingites maintain it was an accident, others say it was anger at "what happened with (former Governor) Hickey," and still others say she may have wanted to keep the Thomson name alive by continuing in her husband's chosen field.

Mrs. Thomson gives no specific explanation as to why she decided to run for and become Wyoming's first woman secretary of state. The fact is that she was urged to run both for the U.S. Senate seat to which her husband was elected and for the secretary of state office.

The Hickey incident involved the then Gov. J. J. Hickey, a Democrat, who resigned his post after Thomson's death. The then secretary of state, Jack Gage, succeeded Hickey and in turn appointed Hickey to the Senate to fill Thomson's vacated seat. Hickey ran in 1962 for the unexpired term and lost to ex-Gov. MILWARD L. SIMPSON.

Mrs. Thomson at the time predicted Hickey would be defeated in 1962.

One of the main reasons she cites for not running for the Senate at that time is because she didn't want to be a sympathy candidate.

However, there was nothing to stop her from getting the votes and confidence of Wyomingites when she ran for secretary of state.

"I have traveled in the State of Wyoming for 11 years with my husband, my children, and alone," she said. "While I was campaigning, I covered all 97,000 square miles of it."

Mrs. Thomson beat her Democratic opponent, Frank L. Bowron, of Casper, by some 15,000 votes.

Keeping records, mailing out annual reports on corporations, and publishing bills passed by the legislature are included in the secretary of state's job.

As soon as Mrs. Thomson took office in January of 1963 she displayed her talents as an efficient housewife by straightening out files and records in the office and, by so doing, reducing expenses.

"It used to cost this office about $20 for the fancy ribbons, retyping, and proofreading of each certified copy of registered documents on file," she said. "What we do now is pull the original document, Xerox it and stamp it with a special stamp that says it's certified. Then, I sign it and it can be put in the mail in 5 minutes."

Mrs. Thomson also saw to it that the 7,000 active corporation documents that used to be scattered in four vaults on different floors are kept in one fireproof file near her office.

The secretary of state, who draws a salary of $12,000 a year, occupies a large, cool office which is furnished with comfortable leather chairs, a large desk, a long table for conferences, and a bookcase. A wall near Mrs. Thomson's desk displays the only feminine touch in the office—a gold-framed mirror. There's also a portrait of Mrs. Thomson's husband.

Mrs. Thomson's staff occupies two adjacent offices.

Part of the Thomson efficiency is having trained "every person in this office" to answer questions within minutes and to answer letters which are read and signed by Mrs. Thomson.

"The most important thing in a successful office is a good staff—people who are bright and well-trained, delegation of authority and a system of controls," Mrs. Thomson says.

"Each person in my staff is responsible for his own work. I oversee it. When something unusual arises, my staff checks with me. Otherwise they're on their own."

Part of Mrs. Thomson's job is to open and preside over the Wyoming House of Representatives.

"We have a 40-day legislature and I have to handle all the bills, send them to the printers, write titles for each bill and publish session bylaws," she explained. She also contracts pocket supplements of the statutes for general distribution.

Mrs. Thomson also gives from 30 to 40 speeches a year throughout the State and outside of Wyoming and occasionally entertains at the Governor's mansion when the Hansens are out of town.

But when she entertains officials at home, Mrs. Thomson likes to give garden parties.

"I'm so proud of our garden," she says. "Casey (her youngest son) is my gardener and does a wonderful job." The garden is shaded by tall trees and neat flowerbeds decorate the close-trimmed grass.

In order to have more time with her children, Mrs. Thomson has hired a housekeeper who cleans her home, does the laundry and does most of the cooking.

"When I went into office I decided no man works full time and cares for a home and three children, too," she said. "So I never do my own hair and don't have to worry about cleaning house or doing laundry. It's all done for me."

Mrs. Thomson is on the five-member commission that governs Wyoming. In this capacity, she attends several meetings of State committees. She also is chairman of the Legislative Review Committee, North American Securities Administrators, and is vice chairman of the Public Lands Committee, Western Conference of the Council of State Governments.

"Because of this five-member commission, you can change the government of Wyoming by changing the elective officials," she said. "Affairs of State are under the policymaking of the five top officials in the State."

Mrs. Thomson said the big difference between Wyoming's government and the Federal Government is that in Washington "they have proliferated to the extent where no one can keep track of the whole thing."

She said Wyoming's system of government is particularly good for the State because there are 330,000 persons in Wyoming.

"It would be folly to impose a superstructure type of government, such as they have in Washington, in Wyoming," she said.

Mrs. Thomson said that about 90 percent of the persons who serve on State commissions do so without pay.

"These Wyomingites work to support their families, yet they volunteer their services for their State," she said. "They are proud of it and to them it's an honor."

The secretary of state, who also is on the board of institutions and reformatories in Wyoming, discussed a program which has recently been introduced in Wyoming's institutions.

This program is called reality therapy and was introduced by Dr. William Glasser, she said.

"Under this program, the person who is sent to the institution is no longer asked,

'Why did you do this?' Instead, he is asked, 'What did you do?' "

She said, "The point we try to stress is that the person involved is responsible—not his environment or anybody else—for his own actions. This way he realizes the penal staff has faith in him that he, himself, can do something about his problem."

Dr. B. D. Kuchel, superintendent of the Wyoming Industrial School in Worland, among others, reported he finds this type of program works particularly well, Mrs. Thomson said.

As far as her political views are concerned, Mrs. Thompson does not like to describe herself as a conservative or liberal Republican.

"I dislike labels," she said. "They give the wrong impression."

And she won't discuss Barry Goldwater or reasons for his defeat.

"That is all in the past," she said. "The GOP needs a new view for the future. It needs intellectual exertion to bring the conservative and liberal elements of the party together."

But what Mrs. Thomson doesn't seem to mind discussing is Keith Thomson and her children.

She has worn since 1961 a gold watch which would have been presented to her husband at Senate swearing-in ceremonies.

"Isn't he beautiful?" she says of her late husband as she proudly shows his pictures which are displayed both in her office and at home.

"I wouldn't know what to do without them," she says of her three children. "They are everything to me."

Mrs. Thomson skis, dances, takes trips and plays golf with her sons at Cheyenne's Municipal Golf Course.

In the meantime Wyoming's politicians are contemplating what office Thyra will seek next.

In all probability, Mrs. Thomson will not say until she's ready to run and, in ladylike fashion, will keep her political suitors guessing until she's made her decision.

REFORM OF IMMIGRATION LAWS

Mr. SCOTT. Mr. President, it now appears that I will be serving, by designation of the Vice President, as a delegate to the International Telecommunications Union Plenipotentiary Conference abroad during the Senate's consideration of H.R. 2580, the companion to S. 500, a bill which I have cosponsored to revise the immigration laws, and particularly to remove the discriminatory national origins quota system.

The Senate will, I am confident, pass the kind of immigration reform that I have been fighting for for many years, and my position against any crippling amendments and in favor of final passage will be noted of record.

I have long felt that in the forefront of the unfinished business of our free society has been the urgent necessity to eliminate the discriminatory national origins quota system from our immigration laws. This system, based on the national origins of our population in 1920, says in effect that the people who produced a Plato, a Michelangelo, a Kosciuszko, are less welcome in America than those who come from other parts of the globe.

I have opposed this repugnant philosophy of discrimination throughout my public life because I do not believe that there is any room in our society or in its laws for discrimination of any kind. We must eliminate once and for all this degrading concept of subjecting human beings to the indignity of being judged on the basis of their place of birth or racial ancestry rather than on their merits and qualifications.

One of the first bills which I introduced in this session of the Congress was a bill—S. 436—to reform our immigration laws and eliminate the national origins quota system.

I am cosponsor of S. 500, and have testified before the Immigration Subcommittee of the Senate Judiciary Committee in its behalf as well as on behalf of my own bill. I have also closely followed its progress and helped as a member of the Judiciary Committee, in having this bill reported to the Senate Calendar. It is my belief that passage of this legislation is not only of great importance, but a long delayed act of justice.

LAWLESSNESS AND LAW ENFORCEMENT

Mr. KENNEDY of New York. Mr. President, the newspaper Newsday, published at Garden City, Long Island, N.Y., recently printed a column by the distinguished commentator Ralph McGill. The comments are solid and sensible. I ask unanimous consent that the column be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

LOOKING BACK

(By Ralph McGill)

In chapter 5 of "Through the Looking Glass," Alice and the White Queen are confused. "I'm sure my memory only works one way," Alice remarked. "I can't remember things before they happen."

"It's a poor memory that only works backwards," the Queen remarked. The Queen fell into confusion because in her world time ran backwards. Time runs forward with us—but a backward look helps.

Mail devoted to the Los Angeles riots runs chiefly to a denunciation of "nigger lawlessness" and "what else can you expect from niggers?" There will always be some of that mentality and while one may feel sad about those who think in such patterns, they are outside the facts of our time. A few letters insist that all riots are simply a matter of lawlessness, and that all one needs to do is to enforce the law. (One could wish it were really that simple.)

There must, of course, be enforcement of law. And, especially, there must be prompt application of law to the Muslim groups, which admittedly are committed to incitement of riots and of violence. But having so said, it is imperative that all Americans—and perhaps more particularly southerners—know that hard facts may not be solved by prejudice or oversimplifications. We are confronted with the end of an era in history. It is, perhaps, as abrupt and harsh and as difficult for many to accept as was the end of slavery itself for those who had accepted it as a way of life and as being appointed by God himself. The thoughtful, intellectually honest citizen must let his memory run backward. He must admit to himself what he knows to be the truth. Unless he wants to explain the greatest social revolution of our times in terms of "nigger" or "more police."

A wall has been torn down. Some 19 million Americans have all their lives been on the other side of it. While on that other side of the wall they were rarely allowed to vote. They were not admitted to such simple community affairs as PTA meetings or community gatherings to discuss bond issues, taxes, or community needs. Most of them lived in what was called, by the thoughtless, "niggertown." It was a place of unpaved streets and little municipal supervision. There were separate schools and they are on the conscience of every thoughtful American. There was separate justice. The sheriff, the deputy, the policeman and most courts, unhappily became a symbol not of justice, but of injustice.

There was precious little, or no, opportunity to learn the responsibilities of voting or of citizenship. There were few opportunities for jobs save the most menial. There inevitably developed certain stereotypes of thought—"They are happy the way they are." "They are dirty, uncouth, shabby, illiterate." President Johnson said of this condition that we had "created another nation." And so we had. Two great wars and industrialization caused millions to leave farms and go to the big cities of the East and West where huge industrial complexes offered jobs. Mechanization and automation have now ended most "common labor."

The big cities have the worst problem. In the first place they have the most deprived persons, the most of the very poor—the good poor and the criminal poor—the most really illiterate, the most hoodlums, the most hopeless. They are crowded as if under pressure. The environment is conducive to violence. The wall is down. It will take a long time to correct the past—to provide education, training, and opportunity. There will be those who can't be trained. It will take time to make the poor Negro (and the poor white) feel that the policeman does not "have it in for him."

Somehow we must mobilize the best we have, our truest voices and the forces of intelligence and of civilization. But above all, man today is called upon to be true to himself—not to deceive himself about what is required of us as a people and a nation—to know that the wall is down.

BANK MERGERS

Mr. ROBERTSON. Mr. President, in 1960 the Senate passed without a dissenting vote a bill that was intended to put new restrictions upon bank mergers but which did not change the fact that the Clayton Antitrust Act did not apply to bank mergers. Numerous statements were made on the floor of the Senate that mergers authorized under the Senate bill would not be subject to the Clayton Antitrust Act. That bill was favorably reported by the House Banking and Currency Committee and passed the House without a dissenting vote.

The fact that bank mergers were not to be controlled by the Clayton Antitrust Act was not clearly spelled out in the bill, although there were repeated statements on the floor of the Senate that it was the intention not to have the Clayton Act apply to bank mergers. To the surprise of all Members of the Congress who had taken an interest in the bank merger bill and all of the interested financial institutions, the Supreme Court held in 1963 that bank mergers were subject to the Clayton Antitrust Act. That act, as previously construed by the Supreme Court, means that if there are

two competing corporations which are merged into one, competition has been diminished by the merger and therefore the merger is illegal. Incidentally, both Justices Harlan and Goldberg united in a dissenting opinion in which among other things the statement was made that no one was more surprised than the Government lawyers that the Supreme Court took that position.

In recent years more than 2,000 banks have been merged, involving assets of billions of dollars. Since there is no statute of limitations on such mergers they are all subject to attack by the Justice Department and if, as, and when attacked, the merged banks cannot win unless the Supreme Court reverses its astounding opinion that bank mergers are subject to the Clayton Antitrust Act.

It is apparent to all who have considered this problem that the application of the Clayton Antitrust Act is an unnecessarily harsh rule for bank mergers.

The purpose and the only purpose of the bank merger bill, which has been pending for weeks before the House Banking and Currency Committee and on which apparently hearings will be continued as long as this session of the Congress lasts, is to give relief to the banks which in the past have merged in good faith, after securing the approval of the required banking agencies, and to provide protection for all future bank mergers unless the Justice Department, after all other agencies had agreed upon the mergers, gave notice in 30 days of its objection.

I ask unanimous consent to have published at this point in the RECORD an editorial from the Wall Street Journal of September 10, 1965, entitled "The Measure of Difference," indicating why banks should be treated differently from other corporations with respect to mergers and why the pending legislation would be a modest first step toward more clarity in bank regulation.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[The Wall Street Journal, Sept. 10, 1965]

THE MEASURE OF DIFFERENCE

Why should banks be treated differently from other types of business concerns?

In essence, that's the question posed by opponents of a bill that would limit the Justice Department's ability to overturn banking mergers; they claim the Department should have the same power over such mergers that it does over others. Their question, however, seems to us to be easy to answer: Banks should be treated differently because they are different.

That fact ought to be obvious; it has been recognized by laws of the States and the Nation ever since banking became a business of some importance to the country's economic well-being. By now bankers are surrounded by a tangle of legal rules which not only provide close control of mergers by Federal and State banking agencies but also impose restraints that no legislator would think of applying to the average businessman.

Though governmental agencies are taking an ever-widening interest in private business activities, for example, no agency has yet suggested that it should take a look at the character and finances of a fellow who wants to set up, say, a shoe store.

If the shoe store fails, it's a sad day mainly for the owner and his clerks. A bank's failure, on the other hand, would damage not only its owners and employees but quite possibly its depositors, borrowers and anyone else who had any dealings with the institution. More than that, one bank failure can, and often has, weakened public confidence in other banks in its area.

The difference between banks and other types of institutions, in other words, is measured largely by the degree of public interest.

Consideration of the public's interest has done much to shape the legislative approach to banking competition. In the business world generally the freest possible competition is clearly to be desired. In banking, however, a total absence of restraints on competition could allow an eager institution to overexpand, to make shaky loans and otherwise compete itself right out of business. Such a bank could damage the public interest in an attempt to serve it.

The need, in the banking industry, for a somewhat different approach to competition was in the minds of Congress when it passed the Bank Merger Act of 1960. The committee reports indicate that the legislators intended to leave decisions on banking mergers to the Federal banking agencies: the Federal Reserve Board, the Federal Deposit Insurance Corporation and the Comptroller of the Currency.

In making such decisions, the agencies are required to consider the possible adverse effects on competition. But they are also compelled to ponder the financial condition of the banks, their earnings prospects, the character of their management, and, certainly not least, the convenience and needs of the community to be served.

Any merger, of course, reduces the number of banks by one. Yet at the same time it may save a weak bank from insolvency or, by creating a larger and more versatile institution, provide banking services badly needed by a fast-growing community. As committee reports noted in 1960, a merger sometimes can be in the public interest even if it would result in a substantial lessening of competition.

Soon after the Bank Merger Act went on the books, however, the Justice Department began attacking a number of bank mergers in the courts solely on the basis of competition, and on a pretty restricted view of competition at that. Since the courts have backed the Department, banks now may have a merger approved by a Federal bank agency and, possibly years later, have it thrown out by the courts. It is this situation that the pending legislation would straighten out.

In the first place, the bill would wipe out the past 5 years of confusion: It would validate all mergers approved up to now by the banking agencies, whether they've been challenged by the Justice Department or not. After all, banks entered such transactions in the belief that Congress meant what it said in 1960.

After approval of any future bank merger, the Department would have 30 days to challenge it in the courts; during that period and any resulting litigation, the merger could not be consummated. Though there's more than a little question whether the Department should have that much power, it would at least end completely the threat of any future effort to unscramble a merged bank.

As opponents of the proposed bill have argued, such unscrambling can be handled. But it can't be handled without a great deal of confusion and inconvenience for the bank's customers—in other words, without damaging the public.

The pending legislation, in sum, would be a modest first step toward more clarity in bank regulation. If Congress bothers to measure the Nation's interest in a sound banking system, it's hard to see how it could do anything very different from that.

REA PRIZE WINNERS

Mr. MONRONEY. Mr. President, members of the Oklahoma delegation were fortunate to entertain again this year the youthful winners of essay contests sponsored by various rural electric cooperatives in the State. There were some 1,500 essays prepared and judged this year in Oklahoma, so it is not extraordinary that the 40 winning essays on rural electric cooperatives are excellent. I ask unanimous consent to have two of them printed in the RECORD at the close of my remarks.

There being no objection, the essays were ordered to be printed in the RECORD, as follows:

WHY HAVE COOPERATIVES?

(By Johnny Snyder, Dacoma, Okla.)

The lack of money is the root of much evil, including extreme poverty, suffering without relief, hunger pangs never eased, and youth with no hope for a better tomorrow. This pictures much of the world today with 10,000 persons starving daily.

Already one-third of mankind lives as virtual slaves under Communist governments. Many others live under the grasping hand of big business bent on profits. But there is a private enterprise that must be locally owned and controlled, because its owners must be those who use its services; this is our cooperative way.

These cooperatives have played a big part in making the United States a land where the farmer stands economically in his rightful place. This is also true now in Sweden, Norway, Finland, and Denmark, which were once very poor countries.

However, a cooperative is not always the answer. When private industries offer the same service at a comparable or better rate a cooperative is not needed. Then when do we need cooperatives? We need them when they can provide service at a more reasonable rate or when they can provide service that would not otherwise be provided.

Last summer with Oklahoma 4–H people-to-people delegation, I was privileged to visit several European countries. From our Danish guide we learned that Denmark takes pride in being like the United States in many ways, which include patterning their cooperative life from ours.

Today Denmark is known as a land of cooperatives, which has been the most important factor in the advancement of Danish agriculture. For example, cooperative enterprises process 90 percent of their milk and pork. In general their standard of living is good.

Hungary and Czechoslovakia, the two Communist countries we visited, make a sharp contrast with Denmark. These are not lands of cooperatives—no, these are lands of socialistic community farms. As I watched women use the ancient hoe through long weary hours and eat their lunch in drainage ditches, often without the comfort of even a shade tree, I viewed a land I never want to call my home. World history verifies that where communism reigns, there are no citizen-owned cooperatives; but where democratic freedom exists, cooperatives flourish.

Through the American Institute of Cooperation, I learned that many countries of the world would prefer that we guide them in the organization of cooperatives rather than giving the handout of food. They know

that nothing lasting will be accomplished until they learn to provide for themselves.

For example, government officials, engineers, and technicians from 31 countries have been visiting our rural electric cooperatives and our REA headquarters to get first-hand ideas. In turn we have been sending well-trained men to Ethiopia, Tunisia, South Vietnam, and many Latin American countries to train their own people to develop cooperative rural electrification for themselves.

Desperate people turn toward dictatorship not always because they want to but because they see nothing else to do. There is a better way, and we are the ones to show the world that way—not by guns, not by free food, but by an educational plan to train for the cooperative way of life.

To better understand what cooperatives can do for the world, let us look at what they are doing for the United States where two-thirds of the farmers belong to one or more cooperatives.

First, we will consider the marketing cooperatives. Whenever a producer raises any product for sale, he faces a marketing problem. The cooperatives—marketing grains, cotton, and dairy products—have put millions more dollars annually into the farmers' pockets. About one-fourth of all farm crops are marketed cooperatively. Herbert Hoover once said, "I see no way out for the farmer except by cooperative marketing."

Second, we will consider the consumer, purchasing, or supply cooperatives. These appeared in large numbers after World War I. The farmers at this time were receiving low prices for their products and paying high prices for their purchases. Their survival as individual farmers was at stake. Thus they began to purchase feed, seed, and fertilizer from a wholesaler and distributing these among themselves. Soon formally organized cooperatives appeared. Today three out of four farm families purchase supplies through cooperatives. Here are services provided at more reasonable rates.

Third, we shall consider the service or utility cooperative with electrical cooperatives heading this list. By 1935 the urban areas of the United States were enjoying light and power provided by commercial electric power companies while 90 percent of the farmers remained in darkness and powerless. Why? Because it was not profitable for these companies to bring electricity to the sparsely populated rural areas. However, what the profit motive could not and would not do, the service motive of the cooperatives did. There is much difference between the 33 customers per mile of line among commercial electric power companies and the 3.3 customers of the rural electric cooperatives. Here is a service offered by a cooperative that would not otherwise be provided to the sparse population in rural areas. From 1935 to 1965, a period of only 30 years, the United States has dropped from 90 percent of her farmers being without electricity to only 2 percent not having this valuable light and power. The Rural Electrification Administration and the rural electric cooperatives have made this possible.

The coming of this light and power ranks with the advent of modern genetics, fertilizer, pesticide, and the farm tractor as one of the five most revolutionary forces to be introduced into agriculture during our century. Some even say electricity tops the list in importance.

This cooperative service has made our farm life comparable to urban life in comfort and convenience and gives us a way of life known to no other average farmer of the world.

In closing let me ask, Why do the people of the world want cooperatives? True, the cooperative way does not offer dazzling wealth to anyone, but it can and does provide many services at more reasonable rates and many others, including electrical power in our sparsely populated farm areas, that would not otherwise be provided. All this contributes toward comfortable homes, thriving communities, and a secure country. What more could we ask for?

Rural Electrification Good for All Americans

(By Patsy Hill, Cotton Electric Cooperative, Walters, Okla.)

The dream of an electrified America for all Americans was conceived in the minds and hearts of far-seeing men many years before it was born. It lay there—shimmering like foxfire—sometimes quiet—sometimes struggling to be born. Even the doubters conceded that electricity over the entire country would be good for all Americans, for in this Nation the poor farmer makes the poor businessman; poor rural communities make poor cities; low standards for the farmer make low standards for the Nation. So the dream grew, matured, and burst upon the American way of life with an impact that has shattered forever the isolation and bleakness formerly associated with rural living. From the hand-drawn water, salt-cured meat, lamp-lit homes, and newsless weeks, today's farm family has graduated to the same appliances and equipment as their city friends.

But the dream wasn't born without struggle. There was the usual shadowy army of scoffers and doubters in the background, raising their usual battle cry of "It can't be done," as there has always been when anything new and startling threatened their complacency. Somewhere in the memory of the dreamers must be a heroic story of visits to influential men, telephone calls to people in high-up places, and letters written to government officials. There is a record of the organizing committees—committees of dedicated workers who visited rural homes and held meetings almost nightly to spread the story of what could be done. In these gatherings the longings of rural families came to light: the dream of having lights, electric pumps, freezers, and the many other advantages of electricity that their city neighbors were enjoying as a matter of course.

As in most united efforts, dedication paid off. In 1935, in an age when letters were becoming a way of life to the people of the United States, three new letters burst upon the American scene—REA. These magic letters meant Rural Electrification Administration, set up by Congress to loan money to extend electrical systems into rural areas. This all-important step became an official act of the Federal Government on May 11, 1935, by Executive order of President Franklin Delano Roosevelt. It authorized a 10-year electrification loan program, which was extended indefinitely in 1944. Its purpose was to make loans to qualified borrowers, with preference to nonprofit and cooperative associations. These loans were to bear 2-percent interest and were to be repaid over a maximum of 35 years. Private utility companies were not interested, so the U.S. Government decided to try the rural electric cooperative method—an old American custom—people working together for a common cause.

So, electric cooperatives were started, even though there were many, many problems to overcome. But it seems as though, working together, men can accomplish anything. By the end of the 1930's, rural people had held meetings, discussed their problems, and signed up as members of rural electric cooperatives. Besides getting enough people to sign up to make a system worthwhile, these kilowatt pioneers had to get easements for lines and substations, obtain land rights from owners, and elect boards of directors. With dependable electric service at the lowest possible rate a nonprofit system can supply, as a goal, each newly formed board set up policies and hired a manager to operate the systems they were starting to build. Nearly half of all member-consumers in the United States are farmers, and no one knows better the necessity of a profit system than the American farmer; but behind the rapid and successful development of rural electrification in the United States, lie the efforts of almost 1,000 nonprofit electric systems. While a few of these were organized as public bodies, the vast majority are consumer cooperatives. To obtain capital necessary to build their electric systems, to purchase poles, wire, and equipment, local co-ops turn to the REA in Washington for loans. These loans must be repaid with interest, but time has proved that rural electric cooperatives can and do pay their own way. As a matter of fact, the repayment record of rural electric systems is considered by many financiers to be an all-time miracle. Though created on small capital and big wishes, rural electric systems have repaid their loans from the Government on schedule, many making the necessary payments plus large future payments every year. The Cotton Electric Cooperative of Oklahoma, for instance, paid the REA loan of $230 million 24 years in advance of its due date.

And time has proved that rural electrification is good for all Americans. Financially, it has brought in the greatest returns for the smallest investment of tax dollars of anything the American people have ever seen. Large sums of money have reached the Treasury of the United States in interest from co-op loans and from co-op taxes; for while rural electrics do not pay profit taxes, they do pay sales, property, excise, and vehicle taxes like any other business firm. Often they are the largest single source of revenue from property taxes in their countries. And added to the taxes they pay directly, rural electrics bring in an enormous amount of revenue in many other ways. The electricity they supply has given birth to scores of local enterprises, expanded the scope of other businsses, and vastly enlarged community payrolls. All this has materially broadened the rural tax base, produced badly needed public revenue, and thus strengthened the economy of the United States in an era when a presidential assassination has definitely rocked the ship of state, especially in the areas of stock markets, foreign aid, and inflation.

The benefits of the rural power program to all Americans are too obvious to be doubted. Since electricity has increased the prosperity of farmers, it has consequently improved the prosperity of their city friends as well. Prosperity has come as a natural result of time-saving and more efficient management—thanks to the rural electrification program. Electricity now performs more than 600 different tasks on the farm, and has promoted the development of all America by extending the boundaries of modern living to the country's most remote areas. It has been instrumental in putting American agriculture out front as the most modern and most successful in the world. Electricity, as dispensed by member-owned cooperatives, has raised farm production to such heights that our expanding city population has an abundance of nutritional food at reasonable prices. This has enabled the people of the United States to be the best fed in the world. The abundance of fresh meat, eggs, and fruit in this country keeps well-fed Americans the envy of less fortunate peoples. And these farmers who worked so hard to help themselves, have helped their city cousins in other ways too. In small towns and big cities everywhere, merchants and businessmen can credit millions of dollars in purchases to the new rural market. Low-cost electricity is such a boon to all Americans that rural living in the United States today is considered the

epitome of all that is desirable, for farm families can now build and equip all-electric homes, with electric heating, air conditioning, ranges, washers, dryers, television, dishwashers, and disposal units—all because rural electrification has given them the wherewithal, the power, and the means to live on a par with people anywhere.

Household equipment isn't nearly the whole story of rural purchases either. Large investments, like automatic dairies, irrigation systems, electric pump units, and grain loaders are everyday buys in today's modern, electrified rural America.

As a direct result of electricity and member-owned cooperatives, new enterprises have sprung up all over previously thinly settled areas of the country. In rural areas where once were seen only lonely lamplit farmhouses, today can be found modern, flood-lighted homes, with electrically equipped barns, stables, and chickenhouses; large shopping centers with clothing, shoe, and grocery stores; service stations, garages, motels; concrete block plants and lumber mills; plus drive-in movies and drive-in banks. Members of electric co-ops, as participants in local development groups, are helping to launch a wide range of ventures to develop industry in rural areas and to provide thousands of jobs for local inhabitants. Rural electrics are in addition helping their communities to develop recreational areas and needed public facilities like hospitals and water and sewage systems. The availability of electricity in rural schools, churches, and small communities has helped provide equal opportunity to many thousands of people who would otherwise have been denied these advantages.

Yes, rural electrification has revolutionized rural living in the United States and proved a boon to all Americans. It has helped keep efficient farmers on the land and made the freedom, energy, and attainments of America's rural population the envy of the world. It has increased sales, services, and revenue of the small American community, and its benefits have penetrated into the largest cities. It has truly lighted a torch in present-day America, and promises to shed its rays even more brightly in the future; for the future of electricity is beyond present-day imagination. In this brilliant future, we should see every farm home heated in winter and cooled in summer—by electricity; we should see family-sized filtration plants that will purify farm pond water for household use—by electricity; we should see new barn equipment that will blend feed concentrates with roughage and meter out the correct portion to each cow—by electricity; we should see farm soil made more porous and thus more absorbent—by electrical treatments. These and many more unforeseeable miracles will mean that all Americans should live better, more productive lives—through the miracle of having electricity available to all.

So the REA and its member-owned cooperatives is a story to equal the "Arabian Nights" tales of old. It is a modern success story of dedicated farmers who built electrical distribution systems that most experts believed and predicted were destined for bankruptcy. It is the story of a force that has held the most efficient people on the farms, that has supplied a large part of the world's population with food and clothing, that has kept capable young people on the farm, engaged in worthwhile activities such as FFA and 4–H work; that has brought the American farm home into the brilliantly lighted 20th century, with modern plumbing, lights, appliances, television and radio, and all the countless blessings of modern-day living. It is the story of a force that has contributed to America's greatness in many areas; that has insisted on progress for all segments of American life—not just for the city folks, or just the country folks, or just the industrial workers, or just the scientists—but has insisted that all Americans, big or little, rich or poor, must have the chance that the U.S. Constitution guarantees them—the opportunity of freemen to advance. This then is the story of member-owned cooperatives and their impact on the American way of life—an impact that has brought many blessings to all Americans and made the rest of the world aware of what concentrated effort and dedicated people can do when the need is great and the dreams are clamoring to become realities.

IRA KAPENSTEIN, POST OFFICE DEPARTMENT'S SUPERLATIVE PRESS CHIEF

Mr. PROXMIRE. Mr. President, rarely does the general public have a chance to hear about the performance of the men behind the Nation's top policy makers. The advisers and experts who can make or break a Cabinet officer.

The retiring Postmaster General John Gronouski is blessed with such a man in his top press officer, Ira Kapenstein. Ira came to the Post Office Department from the Milwaukee Journal, where he was as able a reporter as any I have ever observed anywhere. It was no secret in newspaper and political circles that Ira Kapenstein could have had his choice of a number of excellent newspaper opportunities throughout the country.

Two years ago at the age of 27 he had mastered reporting—as a clean, crisp writer, an astute, sharp observer, and a scrupulously fair and honest reporter. He chose to serve his Government and the Postmaster General John Gronouski.

As press chief to the Postmaster General, Kapenstein not only was responsible for the press relations of the head of the Post Office Department, he was consulted frequently on policy decision, and he administered an excellent press section of his own.

A few days ago in a ceremony at the Post Office Department Ira Kapenstein was awarded the Benjamin Franklin Award with this citation:

To Ira Kapenstein, the architect of public information programs and perceptive adviser on postal policies which have had an outstanding beneficial impact upon the American public. His loyalty and his selfless devotion to duty have made him an asset of inestimable value to the Postmaster General and the postal system.

Mr. President, Ira Kapenstein richly earned that award. He has served his Nation well. And at the age of 29, he faces a very bright future indeed.

GRONOUSKI APPOINTMENT AS ENVOY TO POLAND APPLAUDED BY PRESS

Mr. PROXMIRE. Mr. President, there has been generally warm and enthusiastic approval of the appointment by President Johnson of Postmaster General John Gronouski as Ambassador to Poland, an enthusiasm which I happily share.

I ask unanimous consent that a number of the editorials applauding the Gronouski appointment be printed in the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Kansas City (Mo.) Times, Sept. 1, 1965]

L.B.J. SHIFTS PLAYERS IN THE BIG GAME

The administrative changes in Washington—Goldberg to the United Nations, Gronouski to the Warsaw Embassy and O'Brien to the Postmaster Generalship—are beginning to sound like infield changes in a baseball game. L.B.J. shifts the team around, but few players are consigned to the bench.

As a man who gets things done, Lawrence F. O'Brien can be expected to expedite the mail as Postmaster General. It is an enormous task and a function of Government that deals every day with hundreds of millions of transactions affecting millions of Americans. More and more, the Post Office Department is concerned with computers and the mechanics of mail delivery. O'Brien, we predict, will retain for the Department a touch of humanity. At the same time, through the Kennedy years as political adviser, and as the White House congressional assistant to both John F. Kennedy and Lyndon Johnson, O'Brien demonstrated efficiency and a talent for detail work.

When John A. Gronouski visited Poland last year, it might have been suspected that changes were in the wind. Gronouski's name will not hurt him in Warsaw, and the United States needs help there because of deteriorating relations. The American Vietnam policy has caused alarm among what might be described as young Polish liberals. In that Communist state the young identify to a surprising degree with their Western counterparts who dislike authority, engage in peace marches and denounce the bomb.

Gronouski in Poland probably will be a happier man than Gronouski in the Post Office Department. His qualifications as a former college professor and an American-style liberal will be more applicable.

The O'Brien-Gronouski switch has a certain logic, and it shows the Johnson touch of producing more than one desired result in a single transaction. The question is, who's next?

[From the Newport News (Va.) Daily Press, Sept. 1, 1965]

AN APPROPRIATE ROLE FOR GRONOUSKI

The selection of Postmaster General John A. Gronouski to be Ambassador to Poland was both appropriate and imaginative. It is to a degree startling that the head of a department devoted to the delivery of the mail should receive such a demanding diplomatic assignment, but Mr. Gronouski has special qualifications for his new role.

Grandson of a Polish immigrant, speaker of the language, a director of the Pulaski Institute, and in general the possessor of a large fund of knowledge in United States-Polish relations, Mr. Gronouski should carry out as well as possible the President's desire to establish a closer, more friendly contact with the people of Communist-dominated Poland.

As Postmaster General, Mr. Gronouski has not been outstanding—he has been most often described as "adequate." He was named to the job in response to a political need for representation of people of his background in the administration; we can expect him to operate with more assurance and more adeptness in Warsaw than in the giant postal bureaucracy. Of course the nomination still has to be considered by the Senate, but there is no apparent reason to expect it to be overturned.

As for Mr. Johnson's choice to take over as Postmaster General, Lawrence F. O'Brien has established himself in two administrations as a man who can get things done. As

legislative troubleshooter and chief liaison man between the White House and Congress, he has gained widespread respect in official Washington.

In short, the President's latest two appointments are as promising of good results as any he has made in the past.

[From the New York (N.Y.) Herald Tribune, Aug. 30, 1965]

L.B.J.'s CHANGING OF THE GUARD

There must have been some red faces in the Washington press corps when President Johnson announced the new changes in his official family. One correspondent recently confided to his readers his exclusive information that Lawrence O'Brien would leave the White House by Labor Day for a public relations job. Another concluded that President Johnson's recent reappointment of John A. Gronouski would assure him the Cabinet hat of Postmaster General for the next 4 years.

The shifts announced yesterday, of course, were motivated by something much deeper than the President's special delight (even on a birthday occasion) in upsetting the speculations and conclusions of newspapermen. The President disclosed some time ago his special interest in "building bridges" to the East. One of the key spans in any bridge of that kind obviously is Poland. Mr. Gronouski, as a close associate of President Johnson in the Cabinet post he is now leaving and as the grandson of Polish immigrants, is himself exceptionally qualified to serve as a bridge between Washington and Warsaw.

Mr. O'Brien's succession to the vacated seat gives formal Cabinet recognition to a man who played a key role in securing congressional approval of the legislative program first advanced by President Kennedy and then carried forward by President Johnson. More than that, it will insure that Mr. O'Brien's public relations talents will remain in the service of the President and his program for a Great Society.

[From the Philadelphia (Pa.) Inquirer, Aug. 31, 1965]

ANOTHER CABINET CHANGE

Slowly, but steadily, the President's Cabinet is becoming more personally identified with the Johnson administration. This year has been one of continuing transition to the L.B.J. brand.

The appointment of Lawrence F. O'Brien as Postmaster General increases to five the number of Cabinet members named by President Johnson. Others are Attorney General Nicholas Katzenbach, Commerce Secretary John T. Connor, Treasury Secretary Henry H. Fowler, and Secretary John W. Gardner of the Health, Education, and Welfare Department. In addition, U.N. Ambassador Arthur J. Goldberg, who holds Cabinet rank, is a Johnson appointee.

In tapping Mr. O'Brien for the Postmaster Generalship, President Johnson has selected one of the inner circle of the late President Kennedy's confidants. There seems to be unanimous agreement in Washington that O'Brien's ability to get things done, as liaison man between the White House and Congress, has been notably efficient in both the Kennedy and Johnson administrations.

The O'Brien appointment is to fill a vacancy created by President Johnson's selection of John A. Gronouski to be Ambassador to Poland. From Postmaster General to a diplomatic post in Warsaw is a switch of major proportions but Mr. Gronouski, the grandson of a Polish immigrant, will take to his new assignment a broad background of knowledge and interest in Polish-American relations.

The President, in announcing the Gronouski appointment, gave special emphasis to the administration's strong desire to establish closer contact and friendship with the people of Poland. This is an admirable purpose, but the objective is not an easy one.

It was 26 years ago this week that Hitler's invasion of Poland touched off the Second World War. Although the Nazi war machine was defeated 6 years later, Poland did not taste the victory. For two decades the Polish people have suffered under Communist domination. In recent years some measure of autonomy has been evident in Poland but it remains a Soviet satellite.

We are certain, beyond any doubt, that the fires of freedom still burn bright in the hearts of the Polish people. We want them to know of America's continuing hope that a completely free and independent Poland will become not merely a dream but a reality in the not too distant future.

Getting this message across to the people of Poland, while conducting relations with the Communist-controlled Polish Government, will be a difficult exercise in diplomacy requiring the best that Mr. Gronouski can give to the task.

[From the New York (N.Y.) Journal American, Aug. 31, 1965]

L.B.J.'s JACKPOT

In appointing his ace assistant, Lawrence F. O'Brien, to be Postmaster General, and in naming John A. Gronouski, the incumbent, as Ambassador to Poland, President Johnson has demonstrated once more his superb mastery of politics in the highest meaning of that word.

The elevation of Larry O'Brien to a Cabinet post is a deserved recognition of his talents as an organizer and director of victorious election campaigns, as an astute liaison with Congress, and as a presidential adviser who held the respect of John F. Kennedy, as he is granted it now by L.B.J.

As a holdover from the Kennedy administration, Mr. O'Brien has not been, at least technically, a member of the Johnson White House team. That is another indication of the value the President places on, in L.B.J.'s words, his "strong right arm."

There is plenty of precedent for Presidential appointment of close political advisers as Postmaster General. Mr. O'Brien, who thrives on hard work, can be counted on to give the job a full measure of his intelligence and energy.

The choice of Mr. Gronouski, grandson of a Polish immigrant, is a natural. Perhaps the best way to sum it up is to quote a news story out of Warsaw, saying the appointment is met with "widespread satisfaction."

[From the Springfield (Mass.) Union, Aug. 31, 1965]

AN ENVOY WELL CHOSEN

The task of cultivating understanding between the peoples of Poland and the United States shapes up as a difficult one—simply because this Nation's image has deep roots in Poland, and there always has been a great warmth of feeling between the two peoples. But President Johnson's appointment of Postmaster General John Gronouski as Ambassador to Poland promises to make strong ties stronger—whether the powers that be in Warsaw like it or not.

Mr. Gronouski—who succeeds John Moors Cabot, a career Foreign Service officer, now to be reassigned—would have been an excellent choice under any circumstances. Grandson of a Polish immigrant, he holds a doctor of philosophy degree in economics and taught at several colleges before joining the Wisconsin tax department. He is regarded as an expert in public finance and international economics, and has made a study of Polish customs and history. As U.S. Postmaster General, he visited Poland in 1964. His interest in foreign affairs and his talent for administration—displayed in economies and job improvements within the Post Office Department—should also serve the new Ambassador well.

There have been few times in history when diplomacy has been as important to peace as it is today. In fact, the problem facing the world is the more serious because in this nuclear age the alternative to peace could become the destruction of mankind. President Johnson hopes that the achievement of Gemini V will encourage nations to feel a unity of purpose, in space and on earth. The prospective travels of the astronauts to other countries will cast them in the role of ambassadors of good will. Similarly, it is important to promote feelings of kinship at every opportunity through the regular channels of international contact.

The personal magnetism of John Gronouski impressed people who met him last April when he visited greater Springfield as Postmaster General. The transplanting of that quality and others from the Cabinet post to the ambassadorship of Poland was a well-considered move.

[From the Federal Times, Sept. 8, 1965]

UNIONS EXPRESS REGRET AT GRONOUSKI TRANSFER

WASHINGTON.—John Gronouski is an informal man with a pipe and a gravel voice and a willingness to go to the people and talk with them.

His unaffected interest in the well-being of the 600,000 men and women who work for the Post Office Department won him the confidence of the postal unions.

Employee leaders expressed their regret at his leave taking, wished him well on his new assignment and adopted a wait-and-see attitude about the incoming Postmaster General, Lawrence F. O'Brien.

Francis S. Filby, administrative aide for the United Federation of Postal Clerks, said of Gronouski: "His door was always open; he never denied us the opportunity to present our views."

His union and others had had disagreements with the Department, Filbey said, but it was possible to negotiate differences and sometimes obtain a compromise on certain issues, he said.

Legislative Representative Patrick J. Nilan of the Postal Clerks described Gronouski as "the most outstanding Postmaster General in the last 15 or 20 years." Nilan said Gronouski "recognized the human element and was understanding and honest."

Nilan said he expects "no sharp change" in relations with the Department under O'Brien.

Jerome J. Keating, president of the National Association of Letter Carriers, said Gronouski is a "conscientious man who applied himself well." O'Brien's policies "remain to be seen," Keating said.

Floyd E. Huffman, president of the National Rural Letters Association, said his group "looks forward to working with Mr. O'Brien."

NRLCA Secretary John W. Emeigh said Gronouski was "the best all-around Postmaster General." He said that "the mark of his service will be his contributions to the field of labor-management relations; he tried to help the employees understand what the Department's policies were all about."

Henry J. Stoffer, president of the National League of Postmasters, agreed that Gronouski "is very easy to talk to." He gave "an important role in management to the postmasters," Stoffer said.

He described O'Brien as "an astute politician" who is aware of "the political scene in the post office" as well as "the need for service to the public." Stoffer expressed confidence in O'Brien's ability.

John P. Snyder, executive director of the National Association of Postmasters, said that Gronouski "made a wonderful Post-

master General" and expressed his congratulations at the new appointment as ambassador.

He said his organization is as willing to work with O'Brien as it was with Gronouski.

Sidney A. Goodman, president of the National Postal Union, paid Gronouski a compliment for his "frank and open attitudes" and his willingness to hear union views.

He agreed that O'Brien would come under close scrutiny by the unions during his first months in office. NPU, he said, will be waiting to learn O'Brien's attitude on a number of things, matters affecting employees.

Frederick J. O'Dwyer, president of the National Association of Postal Supervisors, expressed his appreciation for Gronouski's "interest in things affecting the upper and middle levels, which include most of our members."

He said he is "sorry to see him go" but agreed that O'Brien is a capable man for the job.

[From the Hartford (Conn.) Courant, Aug. 31, 1965]

A NEW POSTMASTER AND AMBASSADOR TO POLAND

Whatever other merits the appointment of John A. Gronouski as Ambassador to Poland may have, it is a break in the Johnson habit of appointing close friends and Texans to high posts. One might almost say the same thing about the appointment of Lawrence F. O'Brien to be Postmaster General, except that the latter has been working closely with the President since the death of President Kennedy, and has been Mr. Johnson's liaison man with Congress.

At least four of Mr. Johnson's appointments have been individuals who have served the Johnson family privately: Leonard Marks, new Information Agency head, served the Johnson family as attorney. Sheldon Cohen, new Commissioner of Internal Revenue, was the President's personal adviser on income taxes. Edward Clark, now Ambassador to Australia, and Abe Fortas, now Justice of the Supreme Court have also served as personal advisers to the President.

In addition to these, there is quite a bag of Texans filling top spots. These include, among others, Adm. William F. Rayburn, of Decatur, Tex., now head of Central Intelligence, and Lloyd Hand, former president of the University of Texas and now Chief of Protocol in the State Department.

There are others, all of them reflecting the rather circumscribed area of the President's interests. There is nothing inherently wrong with this, but one can only remember the simple day when the then President Truman was criticized severely for appointing a crony, Maj. Gen. Harry Vaughn, as his military aide. The Government is now being filled with friends of the President, although he has made some splendid nonpolitical appointments.

When he assumed office, he had at his disposal a reservoir of brains and skills bequeathed to him by the late President Kennedy. During the past 8 months, these men have gradually been drifting from Government, so that Mr. Johnson found himself with more vacancies than men available to fill them. It is only natural, then, that he should look to his immediate friends, some like Abe Fortas, who were loath to leave private life.

His appointment of John A. Gronouski was particularly fitting, and it is hoped that he will be able to build the bridges between this country and Poland, traditionally a friend of the United States.

[From the Miami (Fla.) News, Aug. 31, 1965]

L.B.J.'s LATEST SURPRISES

President Johnson's surprise choice of Postmaster General John Gronouski, the grandson of a Polish immigrant, to be our new Ambassador to Poland is an excellent one. Not only will all Americans of Polish descent be pleased, but our relations with Poland, always friendly, should be strengthened despite the fact the country is a captive of Soviet communism.

The President's confidence in Mr. Gronouski is evident when you consider that the Warsaw Embassy is one of the most sensitive in the world, since it is there that the United States maintains its only contact with Red China.

To succeed Mr. Gronouski as Postmaster General, the President has also chosen well. His legislative aide, Lawrence O'Brien, strong on efficient organization, will move up to the Cabinet as head of the postal service, where organization talent is always in demand.

Both Mr. Gronouski and Mr. O'Brien were first chosen by the late President John F. Kennedy and were kept on by Mr. Johnson. Both have served with distinction and will have opportunity for even greater service in their new posts.

[From the Nashville (Tenn.) Tennessean, Aug. 31, 1965]

TWO ABLE PUBLIC SERVANTS REWARDED BY PRESIDENT

President Johnson selected wisely when he named Mr. John Gronouski the new Ambassador to Poland and placed Mr. Lawrence O'Brien in the Cabinet as Postmaster General succeeding Mr. Gronouski.

These nominations by Mr. Johnson are far more than political rewards to political friends. Both Mr. Gronouski and Mr. O'Brien are able men. They come from different sections of the Nation—even as their ancestors came to America from different parts of the world—and they come from different backgrounds. But each in his own way represents the very best that the American political system can develop and offer in the way of public servants.

Mr. Gronouski—actually it is Dr. Gronouski, by virtue of a Ph. D. earned at the University of Wisconsin—is an intellectual who was a college professor before he entered government service at the State level. President Kennedy picked him to be Postmaster General—the last Cabinet appointment he made before his assassination.

As Postmaster General he was a candid critic of the bureaucracy in his Department, once commenting that he was surprised that he ever got a letter mailed to him. He worked to shake his Department out of its lethargy—and to some degree he was successful.

His name, his candor, and his strong will will make him an effective voice for his Nation in the country from which his grandfather immigrated to America.

Mr. O'Brien's life has always been involved in the world of politics and public relations. As a child he worked with his father, an Irish hotelkeeper in Boston, in ward politics. In 1950 Mr. O'Brien saw a flash of great promise in a young congressman from Massachusetts. He selected Mr. Kennedy and dedicated all his efforts to helping make him the President. He was with Mr. Kennedy all the way—even to the end at Dallas.

After President Kennedy was elected in 1960 Mr. O'Brien reportedly had hoped he would be Postmaster General. But the President needed his talents elsewhere—in the area of legislation. And so Mr. O'Brien went to work on the White House staff, striving to push through a sometimes stubborn Congress, the New Frontier program.

He worked diligently—even courageously. His job was never easy. Much of the program came into law after Mr. Kennedy's death.

President Johnson—who has a telling way with Congress—graciously paid great tribute to Mr. O'Brien for his work in getting the Kennedy-Johnson legislative program enacted.

Neither of the two new appointees was originally a "Johnson man." Neither came to Washington to serve the man from Texas. But when Mr. Johnson came to the White House both demonstrated loyalty to his administration. They put their best talents to work to help make Mr. Johnson's presidency a success.

There is every reason to believe that both would have continued to serve in their jobs—or would have vacated their jobs if Mr. Johnson had desired it. The President has promoted them. And even the most severe critics of the administrations will be hard pressed to find fault with these appointments which show politics to be, not a "dirty business" but a most worthwhile business because it offers able men the opportunity to give high service to their country.

[From the Baltimore (Md.), Sun, Aug. 31, 1965]

BRIDGING WITH A FLAIR

President Lyndon Johnson has raised the ratio of career ambassadors to political ones from two to one to three to one in the past 2 years. This has been good for State Department morale and good for the Nation's interests overseas. It has also tended to overshadow the care and imagination the President has used in selecting noncareerists.

On Sunday the President named Postmaster General John Gronouski to be Ambassador to Poland, an appointment that is an excellent example of imagination and care.

Mr. Gronouski is a highly esteemed public servant. He has been adequate in his present job, one in which "adequate" is an adjective of high praise. He has been a teacher of economics and banking and the tax commissioner in his native Wisconsin, earning praise and respect. This record and his interest in international finance are recommendations enough for his new job. But there is more.

He is the grandson of a Polish immigrant, a director of the Pulaski Foundation, a speaker of the language.

Last year the President promised to build bridges to Eastern Europe. To be precise, what is needed is bridge rebuilding, certainly in the case of Poland. As the President said Sunday, part of Mr. Gronouski's job is to strengthen the "deep and historic bond" between the two countries.

The choice of a Polish-American who rose to the top in this country as a public servant is bridge rebuilding with a flair.

WISCONSIN INCORPORATION OF NATIONAL FARMERS HALL OF FAME

Mr. PROXMIRE. Mr. President, Assemblyman Milton McDougal, of Wisconsin, has forwarded to me the certificate of incorporation of a remarkable Wisconsin group. It has been established not for profitmaking, but for a purpose urgently needed in this country: "To form a nonprofit, educational institution, to honor, elevate, and enhance the image and status of the American farmer."

Mr. President, on a day when we have been debating the Nation's farm bill and considering a program for the most basic and essential producer in America—and I might add both the most economically depressed and the most efficient producer in this country, such an organization is mighty welcome.

MILWAUKEE'S CY RICE, A GREAT REPORTER

Mr. PROXMIRE. Mr. President, Cy Rice of the Milwaukee Sentinel, has for

many years been one of Wisconsin's most respected and competent political reporters. He has been the kind of driving, inquisitive, persistent reporter who could elicit a fruitful interview from a granite statue.

But he has always been a responsible reporter. His articles have been scrupulously fair to both Republicans and Democrats.

Cy Rice has not only been a great reporter. He is a man with a delightful sense of humor. One of the best known and most beloved political characters in our State is Duffy J. Guffey, Cy Rice's fictitious brainchild who has opined in Sentinel columns for years at Herman's Heist about the vagaries of Milwaukee and Wisconsin politics.

A few days ago Cy Rice—having reached the age of 65, retired. And Milwaukee and Wisconsin newspaper reporting will never be the same without him.

Of course Cy has many more years of useful service in many capacities. He is not only a political expert. He has been a theater reviewer and a man of many and diverse interests.

I ask unanimous consent that a recent article from the Milwaukee Sentinel about Cy Rice and his retirement be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Milwaukee (Wis.) Sentinel, Sept. 3, 1965]

CY RICE, SENTINEL POLITICAL WRITER, RETIRES; ENDS 43 YEARS AS NEWSMAN

(By Harvey Schwandner)

Around midnight Thursday, Cy Rice yanked a cover over his typewriter in the Milwaukee Sentinel city room and strode off to retirement.

He is 65 and he feels it in his bones. That's the way he puts it and he should know.

Cy Rice has put in almost 43 years in the news and communications business. He is one of Wisconsin's most widely known newspapermen.

For years he has covered politics with a hard and sometimes cynical eye. He has also covered the theater with deep affection, insight and knowledge.

He has covered most of the runs in our town at one time or another. He has a host of friends outside the city room as well as in it. He knows who has the answers and he knows how to get stories when the youngsters fall on their faces.

Cy Rice is one of the few remaining characters in our profession. He has the capacity to almost destroy a typewriter with a scowl when he is working on a difficult story. Sometimes he grumbles to his machine when the words do not come just right.

When it is necessary to roar at a missing copy boy, he can do it with the best of them, in a voice composed of gravel and cinders.

A 100-percent Irishman, Cy has a sense of humor that goes deep.

Some years ago he invented a character, Duffy J. Guffey, "Milwaukee's alderman at large," a portly fellow with a scowl, a fat cigar and a bowler hat.

Mr. Guffey, according to Rice, held forth at Herman's Heist on Meinecke Avenue.

When Guffey was not putting away boilermakers and helpers, he spewed forth wisdom on issues of the day and the general sins of political life.

Politicians read the word from Guffey with delight and sometimes twinges. The reason—sometimes the barbs hit home.

Rice's love of the Irish and Ireland moved him some years ago to visit the land of his ancestors. He tramped over much of the country and came back feeling refreshed.

Rice lives with his wife, Cleo, at 773 North Prospect Avenue.

Cy Rice has a law degree but he has never practiced law. He studied law at Marquette University while working nights at the Sentinel.

Just why he never quit the newspaper business to go into law has never been explained completely by Barrister Rice and it's a bit late to push the matter now.

When Cy retires, he is going to put more effort into his only hobbies—reading and walking. He will also continue to write a weekly column for the Sentinel on the theater and literature.

And if Rice should happen to bump into Duffy J. Guffey on Meinecke Avenue and take a few notes, you just might see that in print, too.

THE STAMP ACT CONGRESS

Mr. RANDOLPH. Mr. President, last week the distinguished Senator from Virginia [Mr. ROBERTSON] spoke in support of House Joint Resolution 598, a measure to authorize the President to issue a proclamation commemorating the 200th anniversary of the Stamp Act Congress of October 1765. This resolution was introduced in the House of Representatives by the Honorable JOHN O. MARSH, of Virginia. It was passed by the House on August 26. I commend the Senator from Virginia [Mr. ROBERTSON] and Representative MARSH for their efforts to insure that this significant event receives appropriate recognition on its 200th anniversary. I join them in support of House Joint Resolution 598, and I hope it will be promptly reported and passed by the Senate. As the Senator from Virginia [Mr. ROBERTSON] has stated:

That Congress was a milestone in our fight for independence.

The Stamp Act Congress was strong evidence that the sturdy citizens in the American Colonies were willing to move—even at great personal sacrifice—to resist any infringement of their rights. It is indeed appropriate for this Congress to authorize the President to commemorate the Stamp Act Congress which declared opposition to taxation without representation and trail by admiralty courts without a jury. It is timely because today the United States is assisting many less fortunate nations in the struggle for freedom and there surely is a lesson to be learned from the sacrifices of our forebears.

During a recent Senate prayer breakfast, I noted the many sacrifices and ideals of those American patriots who, during the Continental Congress, endorsed the principle of unalienable rights of "life, liberty, and the pursuit of happiness." Although this Congress which adopted the Declaration of Independence met 11 years after the Stamp Act Congress, the ideals of patriotism, freedom, and honor were the motivating forces at both of these significant events.

For this reason, Mr. President, I ask unanimous consent that excerpts from my address "The Shield of Freedom," be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

THE SHIELD OF FREEDOM

We are gathered to pay observance to the ideals and sacrifices of the patriots who formally proclaimed our struggle for independence 189 years ago in the city of Philadelphia. Those men of the Continental Congress who endorsed the principle of the unalienable rights of "life, liberty, and the pursuit of happiness" launched a revolution whose echoes we again hear throughout the world.

This is the true political and social revolution of our times—the revolution of the American proposition that the fruits of this life are best secured by freedom and that freemen are capable of creating their own destinies.

As we glory in our freedom, we should reflect not only on those who gave their lives in the Revolution and in intervening wars but, also, on this question:

What sort of men were the 56 Members of the Continental Congress, who pledged their "lives, fortunes, and sacred honor," even while a British fleet was at anchor in New York Harbor?

We know that, on July 4, 1776, Thomas Jefferson's shining document was adopted without a dissenting vote, and that John Hancock signed it as President of Congress.

We recall, too, that 4 days later, on July 8, 1776, "freedom was proclaimed throughout the land."

The Declaration of Independence was ordered engrossed on parchment. August 2, 1776, was set for its formal signing by the 56 Members of Congress.

We must not overlook the fact that the actual signing of such a document, under British or any other law of the time, was a formal act of treason against the Crown. But every Member eventually—some were absent on August 2—yes, every Member eventually signed in spite of the consequences.

So, the question is pertinent: What happened to the men who signed the Declaration of Independence? Few people know the terrible penalties that many of the signers were made to pay. We are indebted to the American Legion magazine for the vivid story in its July issue which gives us answers.

We are reminded that, for rebels, the 56 Members of Congress who signed the Declaration of Independence, were a strange breed. Almost all of those signers had a profusion of the "lives, fortunes, and sacred honor" they pledged.

Ben Franklin was the only really old man among them; 18 were still under 40, and 3 still in their twenties. Twenty-four were jurists and lawyers. Eleven were merchants and nine were landowners or rich farmers. The others were doctors, ministers, or politicians.

With only a few exceptions, like Samuel Adams—whom well-wishers furnished a new suit so he might be presentable in Congress—the 56 Members of the Continental Congress were men of substantial property.

All but two had families, and the majority were men of education and cultural standing. In general, each came from what would now be called the power structure of his home State. Actually, the Members of that Congress—the signers—had security as few men had it in the 18th century.

Each had far more to lose from revolution than he had to gain from it, except where principle and honor were concerned. It was principle—not property—that brought those men to Philadelphia. In no other light can the American Revolution be understood.

The Legion magazine story reminds us that John Hancock, who had inherited a great fortune and who already had a price of £500 on his head, signed the Declaration of Independence parchment in enormous letters, so, as he said, "His Majesty could now read his name without glasses and could now double the reward."

Benjamin Franklin said, as our history books tell us, "Indeed, we must all hang together. Otherwise, we shall most assuredly hang separately."

The signers knew what they risked. The penalty for treason was death by hanging.

Stephen Hopkins, of Rhode Island, was a man past 60 and signed with a shaking hand. But he snapped, "My hand trembles, but my heart does not."

These men were all human, and therefore fallible. Perhaps, as Charles Thomson once admitted, the new Nation was "wholly indebted to the agency of Providence for its successful issue." But I agree with the author of the story in the Legion magazine, "whether America was made by Providence or men, these 56, each in his own way, represented the genius of the American people then already making something new on this continent.

"Whatever else they did, they formalized what had been a brush-popping revolt and gave it life and meaning, and created a new nation, through one supreme act of courage."

Most of the 56 members of the Continental Congress who signed the Declaration of Independence were later called reluctant rebels. Most of them had not wanted trouble with the British Crown. But when they were caught up in it, they had willingly pledged their lives, their fortunes, and their sacred honor for the sake of their country.

It was no idle pledge. Of the 56 who signed that noble document, 9 died of wounds or hardships during the Revolutionary War.

Five were captured and imprisoned, in each case with brutal treatment.

Several lost wives, sons, or family. One lost his 13 children. All were, at one time or another, the victims of manhunts, and driven from their homes.

Twelve signers had their houses burned. Seventeen lost everything they had.

Not one defected or went back on his pledged word.

Their honor and the Nation they did so much to create are still intact.

But, as the author wrote in the Legion magazine, "freedom, on that first Fourth of July, came high."

ORDER FOR ADJOURNMENT TO MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOOD AND AGRICULTURE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. Mr. President, am I correct in believing that, on the basis of the unanimous-consent agreement which the Senate entered into earlier this afternoon, the time limitation will start at the conclusion of the prayer after the opening of business on Monday next?

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. I thank the Chair.

ADJOURNMENT UNTIL MONDAY

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate at this time, I move, pursuant to the order previously entered, that the Senate adjourn until Monday next at noon.

The motion was agreed to; and (at 3 o'clock and 17 minutes p.m.) the Senate, under the order previously entered, adjourned until Monday, September 13, 1965, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 10 (legislative day of September 8), 1965:

DEPARTMENT OF STATE

Raymond A. Hare, of West Virginia, a Foreign Service officer of the class of career ambassador, to be an Assistant Secretary of State.

Charles Frankel, of New York, to be an Assistant Secretary of State.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Dr. Gustav Ranis, of Connecticut, to be Assistant Administrator for Program Coordination, Agency for International Development.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Bernard Zagorin, of Virginia, to be U.S. Alternate Executive Director of the International Bank for Reconstruction and Development for a term of 2 years and until his successor has been appointed.

UNITED NATIONS

Charles W. Yost, of New York, to be the deputy representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and a deputy representative of the United States of America in the Security Council of the United Nations.

James Roosevelt, of California, to be the representative of the United States of America on the Economic and Social Council of the United Nations.

Mrs. Eugenie Anderson, of Minnesota, to be the representative of the United States of America on the Trusteeship Council of the United Nations.

WORLD HEALTH ORGANIZATION

Dr. James Watt, of the District of Columbia, to be the representative of the United States of America on the Executive Board of the World Health Organization.

DEPARTMENT OF STATE

John A. Gronouski, of Wisconsin, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Poland.

UNITED NATIONS

James M. Nabrit, Jr., of the District of Columbia, to be a Deputy Representative of the United States of America in the Security Council of the United Nations.

DEPARTMENT OF JUSTICE

Sidney O. Smith, Jr., of Georgia, to be U.S. district judge for the northern district of Georgia.

Richard E. Eagleton, of Illinois, to be U.S. attorney for the southern district of Illinois for the term of 4 years.

George M. Stuart, of Alabama, to be U.S. marshal for the southern district of Alabama for the term of 4 years.

SENATE

MONDAY, SEPTEMBER 13, 1965

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal God, in whose peace our restless spirits are quieted, from the flickering torches of our own understanding into Thy holy light, we would lift the difficult decisions of the public service which are focused within these walls.

In the brooding silence of this still moment may the open windows of faith flood our darkness with the radiance of the eternal, that in Thy sunshine's blaze this toiling day may brighter, fairer be.

We give Thee thanks for all interpreters of Thy mind who, with brush or pen, or winged words, bring even one more syllable of reality, one more gleam of the truth which makes men free. Clothe our failing flesh, we beseech Thee, with Thy renewing grace as now we bring our incompleteness to Thy completeness. Grant us the vision to meet and match the vast designs of this glorious and challenging day that we may keep step with the drumbeat of Thy truth which is marching on.

In the dear Redeemer's name we lift our prayer. Amen.

FOOD AND AGRICULTURE ACT OF 1965

The PRESIDENT pro tempore. Under the previous order, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I yield myself 1 minute on the bill. I ask unanimous consent that the reading of the Journal of the proceedings of Friday, September 10, 1965, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.